

**SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED**

**Financial statements**

**Information for filing with the registrar**

**for the year ended 31 December 2019**

**SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED**  
Registered number: 00588778

**Balance sheet**  
**as at 31 December 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	5	1,181,486	1,229,572
<b>Current assets</b>			
Stocks		1,097,617	917,595
Debtors: amounts falling due within one year	7	1,515,331	1,272,345
Cash at bank and in hand		66,234	150,050
		<u>2,679,182</u>	<u>2,339,990</u>
Creditors: amounts falling due within one year	8	<u>(8,377,178)</u>	<u>(6,727,986)</u>
<b>Net current liabilities</b>		<b>(5,697,996)</b>	<b>(4,387,996)</b>
<b>Total assets less current liabilities</b>		<b>(4,516,510)</b>	<b>(3,158,424)</b>
Creditors: amounts falling due after more than one year	9	(339,130)	(429,060)
<b>Net liabilities</b>		<u><b>(4,855,640)</b></u>	<u><b>(3,587,484)</b></u>
<b>Capital and reserves</b>			
Called up share capital	12	31,318	31,318
Share premium account		398,932	398,932
Revaluation reserve		10,604	10,604
Profit and loss account		<u>(5,296,494)</u>	<u>(4,028,338)</u>
		<u><b>(4,855,640)</b></u>	<u><b>(3,587,484)</b></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

**Mr A Gastaldello**  
Director

Date: 21 December 2020

The notes on pages 2 to 12 form part of these financial statements.

# SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED

## Notes to the financial statements for the year ended 31 December 2019

### 1. General information

Scientific and Chemical Supplies Limited is a private company limited by shares, incorporated in England, United Kingdom. The address of its registered office and the company registration number is given in the Company Information page of these financial statements. The principal place of business is Carlton House, Livingstone Road, Bilston, West Midlands, WV14 0QZ. The company supplies chemicals and apparatus for analysis, research and education.

### 2. Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The financial statements have been prepared in sterling which is the functional currency of the Company and are rounded to the nearest £1.

The following principal accounting policies have been applied:

#### 2.2 Going concern

In preparing the financial statements on a going concern basis, the Directors have had due regard to any relevant forecast financial information – including cash flows, and factored in sensitivities and uncertainties arising affecting the company from the ongoing coronavirus pandemic. In the Director's opinion the company is a going concern for a minimum of twelve months from the date of the approval of the financial statements

#### 2.3 Exemption from preparing consolidated financial statements

The Company is exempt from the requirement to prepare consolidated financial statements as all of its subsidiaries are allowed to be exempt from consolidation under section 405 of the Companies Act 2006.

#### 2.4 Intangible assets

##### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirers's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of comprehensive income over its useful economic life.

##### Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

## SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED

### Notes to the financial statements for the year ended 31 December 2019

#### 2. Accounting policies (continued)

##### 2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using both the straight line and reducing balance methods, as noted below.

Depreciation is provided on the following basis:

Freehold property	- 1% straight line
Motor vehicles	- 33.3% reducing balance
Warehouse and office equipment	- 10% - 25% reducing balance
Long life assets	- 4% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

##### 2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

## SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED

### Notes to the financial statements for the year ended 31 December 2019

#### 2. Accounting policies (continued)

##### 2.10 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 2.11 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of comprehensive income on a straight line basis over the lease term.

##### 2.12 Revenue

Revenue is measured at the fair value of the consideration received or receivable net of VAT and trade discounts. The policies adopted for the recognition of revenue are as follows:

###### **Sale of goods**

Revenue from the sale of chemicals and apparatus is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

##### 2.13 Foreign currency translation

###### **Functional and presentation currency**

The Company's functional and presentational currency is GBP.

###### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

## SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED

### Notes to the financial statements for the year ended 31 December 2019

## 2. Accounting policies (continued)

### 2.14 Pensions

#### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

### 2.15 Finance costs

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

### 2.16 Borrowing costs

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

### 2.17 Taxation

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

## 3. Employees

The average monthly number of employees, including directors, during the year was 67 (2018 - 68).

SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED

Notes to the financial statements  
for the year ended 31 December 2019

4. Intangible assets

	Trademarks £	Goodwill £	Total £
<b>Cost</b>			
At 1 January 2019	3,540	305,000	308,540
At 31 December 2019	3,540	305,000	308,540
<b>Amortisation</b>			
At 1 January 2019	3,540	305,000	308,540
At 31 December 2019	3,540	305,000	308,540
<b>Net book value</b>			
At 31 December 2019	-	-	-
<b>At 31 December 2018</b>	-	-	-

**SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED**

**Notes to the financial statements  
for the year ended 31 December 2019**

**5. Tangible fixed assets**

	<b>Freehold property</b>	<b>Motor vehicles</b>	<b>Fixtures and fittings</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost</b>				
At 1 January 2019	1,090,000	182,814	1,403,471	2,676,285
Additions	-	-	26,483	26,483
Disposals	-	(25,719)	-	(25,719)
At 31 December 2019	<u>1,090,000</u>	<u>157,095</u>	<u>1,429,954</u>	<u>2,677,049</u>
<b>Depreciation</b>				
At 1 January 2019	83,408	119,935	1,243,370	1,446,713
Charge for the year on owned assets	10,901	1,770	33,941	46,612
Charge for the year on financed assets	-	15,171	-	15,171
Disposals	-	(12,933)	-	(12,933)
At 31 December 2019	<u>94,309</u>	<u>123,943</u>	<u>1,277,311</u>	<u>1,495,563</u>
<b>Net book value</b>				
At 31 December 2019	<u>995,691</u>	<u>33,152</u>	<u>152,643</u>	<u>1,181,486</u>
<b>At 31 December 2018</b>	<u>1,006,592</u>	<u>62,879</u>	<u>160,101</u>	<u>1,229,572</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Motor vehicles	<u>29,611</u>	<u>57,566</u>



SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED

Notes to the financial statements  
for the year ended 31 December 2019

6. Fixed asset investments

	Investments in subsidiary companies £
<b>Cost</b>	
At 1 January 2019	170,761
	<hr/>
At 31 December 2019	170,761
	<hr/>
<b>Impairment</b>	
At 1 January 2019	170,761
	<hr/>
At 31 December 2019	170,761
	<hr/>
<b>Net book value</b>	
At 31 December 2019	-
	<hr/>
<b>At 31 December 2018</b>	-
	<hr/>

7. Debtors

	2019 £	2018 £
Trade debtors	990,996	913,100
Other debtors	6,267	6,267
Prepayments and accrued income	126,771	132,990
Payments on account	391,297	219,988
	<hr/>	<hr/>
	<b>1,515,331</b>	<b>1,272,345</b>
	<hr/>	<hr/>

**SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED**

**Notes to the financial statements  
for the year ended 31 December 2019**

**8. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank overdrafts and loans	-	266,943
Bank loans	<b>270,856</b>	-
Payments received on account	<b>172,471</b>	172,471
Trade creditors	<b>1,774,306</b>	1,191,779
Amounts owed to group and related undertakings	<b>5,052,159</b>	3,906,137
Other taxation and social security	<b>80,843</b>	102,994
Obligations under finance lease and hire purchase contracts	<b>20,295</b>	27,056
Amounts due to invoice discount company	<b>686,633</b>	561,709
Other creditors	<b>89,738</b>	268,046
Accruals and deferred income	<b>229,877</b>	230,851
	<hr/> <b>8,377,178</b> <hr/>	<hr/> <b>6,727,986</b> <hr/>

**Secured creditors**

Bank loans are secured over the Company's freehold properties.

Amounts due to the invoice discounting company are secured upon the debtors on which the debt has been advanced.

Net obligations under finance lease and hire purchase contracts are secured upon the assets to which they relate.

The amounts due to group and related undertakings is secured by way of a fixed and floating charge over all assets of the Company.

**9. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank loans	<b>339,130</b>	399,982
Net obligations under finance leases and hire purchase contracts	-	29,078
	<hr/> <b>339,130</b> <hr/>	<hr/> <b>429,060</b> <hr/>

**Secured creditors**

Bank loans are secured over the Company's freehold properties.

**SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED**

**Notes to the financial statements  
for the year ended 31 December 2019**

**10. Loans**

Analysis of the maturity of loans is given below:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Amounts falling due within one year</b>		
Bank loans	<b>270,856</b>	-
<b>Amounts falling due 1-2 years</b>		
Bank loans	<b>58,616</b>	57,806
<b>Amounts falling due 2-5 years</b>		
Bank loans	<b>175,848</b>	182,338
<b>Amounts falling due after more than 5 years</b>		
Bank loans	<b>104,666</b>	159,838
	<u><b>609,986</b></u>	<u>399,982</u>

The Company has two commercial mortgages which are repayable in monthly installments. Interest is payable at 1.75% over base rate.

The Company also has a stocking loan which is repayable on demand. Interest is charged at 2.2% over base rate.

**11. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Within one year	<b>20,295</b>	25,702
Between 1-5 years	-	29,078
	<u><b>20,295</b></u>	<u>54,780</u>

**12. Share capital**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
<b>Allotted, called up and fully paid</b>		
31,318 (2018 - 31,318) Ordinary shares of £1.00 each	<u><b>31,318</b></u>	<u>31,318</u>

## SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED

### Notes to the financial statements for the year ended 31 December 2019

#### 13. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £36,687 for the year (6 month period to 31 December 2018: £13,775). Contributions totalling £9,473 (2018: £6,929) were payable to the fund at the balance sheet date and are included in creditors.

#### 14. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	35,777	43,571
Later than 1 year and not later than 5 years	4,938	72,548
	<u>40,715</u>	<u>116,119</u>

#### 15. Related party transactions

During the year, the company incurred interest costs of £453,712 (6 months period 31 December 2018: £194,904), and £86,656 (6 months to 31 December 2018: £79,208) in service costs, in relation to a loan provided by an entity with significant influence. At the balance sheet date, £286,002 (2018: £45,336) in unpaid interest and service costs remain outstanding and are included within accruals and amounts due to related undertakings.

£4,800,000 (2018: £3,900,000) of the principle loan balance remain outstanding at the balance sheet date, and is included within amounts due to related undertakings..

During the year, the company incurred service costs of £110,104 (6 month period to 31 December 2018: £66,979) in service costs from entities that provide key management personnel services to the entity. An amount of £nil (2018: £9,003) remains outstanding at the balance sheet date and was included within trade creditors.

During the period, the company made sales of £nil (6 month period to 31 December 2018: £938) to other related parties.

#### 16. Post balance sheet events

On 10 February 2020, the entire ordinary share capital of the Company was purchased by Conduit Scientific Limited.

As part of this transaction, the loan balance due to the Company's previous controlling party of £4,800,000, as well as accrued interest of £252,159, was written off.

#### 17. Controlling party

As at 31 December 2018, The Edge of Heaven 2017 Limited owned the entire share capital of Scientific and Chemical Supplies Limited. No one individual owned, directly or indirectly, 50% or more of the issued share capital and/or voting rights of the Company.

**SCIENTIFIC AND CHEMICAL SUPPLIES LIMITED**

**Notes to the financial statements  
for the year ended 31 December 2019**

**18. Auditors' information**

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 23 December 2020 by James Bagley (Senior statutory auditor) on behalf of Smith Cooper Audit Limited.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.