Company Registration No. 01980314

AKDENIZ CHEMSON ADDITIVES LIMITED

(FORMERLY CHEMSON LIMITED)

Annual Report and Financial Statements

For the year ended 31 December 2020

ANNUAL REPORT AND FINANCIAL STATEMENTS

CONTENTS

OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS

Robin Byron (Member of the Board)
Suleyman Savaş Erdem (Member of the Board)
Toker Özcan (Member of the Board) (resigned 30 November 2020)
Gözde Diner (Member of the Board)
Ashlihan Döger (Member of the Board) (appointed 1 December 2020)

SECRETARY

Ward Hadaway Company Secretarial Services Limited

REGISTERED OFFICE

Hayhole Works
Northumberland Dock Road
Wallsend
Tyne and Wear
NE28 0PB

BANKERS

Royal Bank of Scotland Plc
Edinburgh

UniCredit Bank Austria AG
Klagenfurt

SOLICITORS

Ward Hadaway
Sandgate House
102 Quayside
Newcastle upon Tyne
NE1 3DX

AUDITOR

PM+M Solutions for Business LLP
Waterfold House
Waterfold Business Park
Bury
BL9 7BR

STRATEGIC REPORT
For the year ended 31 December 2020

The directors present their annual report and the audited financial statements for the year ended 31 December 2020.

FINANCIAL YEAR

Principal Activities

The principal activities of the company during the period were the manufacture and sale of calcium-based stabilisers (Polymer Additives) and other chemicals for the PVC industry, mainly in the United Kingdom and the republic of Ireland.

As explained below, during late 2019 the company restructured its operations such that the business no longer manufactures product directly, but continues to provide Sales Support, Warehouse and Dispatch functions in the UK.

Review of Development and Future Prospects

Turnover for 2020 of £ 4,270,702 was essential lower than turnover 2019 of £20,098,943. The percentage of gross profit[1] reduced to 8% in 2020 with the total gross profit decreased to 6% as compared to the previous year (2020: £322,058; 2019: £5,587,588). The result of the year amounts to a loss of £2,191,415 for 2020 as compared to a loss of £4,220,329 for 2019.

In 2019, Chemson Group Executive Board decided, following to a careful evaluation of Chemson UK processes and performance - to cease the production in the UK by the end of September 2019 and to relocate it to other Group sites in Austria and Turkey. Chemson Group planned to maintain a reduced UK commercial entity, to include Sales Support, reduced QA, Warehouse and Dispatch functions.

Brexit and the COVID 19 pandemic affected performance in 2020, particularly the fragile global economic position and volatile international supply chains. The company not surprisingly suffered a downturn in 2020 demand coupled with raw material scarcity and price hikes.

The company is well positioned to improve future margins by substitution of in-house ingredients for many of those previously sourced from 3rd parties, to bolster the position afforded by the closure of production in the UK and the unburdening of associated costs.

The UK Company's business model is now much less complex with all products supplied by other group companies, and the UK logistics function is being outsourced in 2021 providing further savings and the potential to sell the site with further considerable overhead reduction.

Market

2020 was marked by continued increases in raw material prices and problematic availability, which had an adverse effect on the plastics industry including suppliers of PVC additives. In addition, the difficult market conditions arising from the stagnant UK and European building and construction industry, to which a high percentage of Akdeniz Chemson Additives Limited's business is linked, persisted in 2020. The Covid issue exacerbated uncertainty and stifled demand for much of the year.

Akdeniz Chemson Additives Limited has continued to work hard on maintaining its customer base with a view to increasing its market share. Clear definition and ownership of target customers will decrease the time to market and increase the strike rate on new developments. The Chemson Group continues to further develop its range of market-leading products for all the necessary application areas. The in-group manufacture of multiple additives for the plastic processing sector has given rise to the opportunity to sell other additives to existing customers and the wider UK market.

It has to be mentioned that the Company's result was again affected by the unfavorable development of the GBP vs. the Euro. The P&L contains exchange rate losses that are not related to ongoing business. As explained below, these losses are book losses and have not affected the liquidity position of the company. Please refer to the explanations under "Risks & Uncertainties."

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1 Gross profit represents turnover less change in stocks of finished goods and work in progress and less raw materials and consumables

STRATEGIC REPORT (continued)
For the year ended 31 December 2020

Ongoing review of personnel structures and infrastructure continued throughout 2020 and 2021 to ensure that the business is positioned to maximise the opportunity within the market and ensure that the group's operational capabilities meet growth expectations.

Risks & Uncertainties

The biggest risk to the business from a macro-economic perspective is the delicate situation in which the construction industry finds itself. A high percentage of Akdeniz Chemson Additives Limited business is linked to building and construction. Like other industries, the performance of this market is linked to the general economy, which is as uncertain for Akdeniz Chemson Additives Limited as for any other company. Akdeniz Chemson Additives Limited mitigates the risk of the varying performance of local markets through its strategy of worldwide sales and further development into non-construction related applications.

Like any other UK company, Akdeniz Chemson Additives Limited was affected by the Covid epidemic, which depressed demand and increased uncertainties in the UK market. The hangover issues from Brexit also made trade more problematic and affected exchange rates.

Akdeniz Chemson Additives Limited has sales in Euros but also in Sterling which are exposed to the movement in the Euro to Sterling exchange rate. To counter foreign exchange effects purchases are carried out in Euro and US$ and bank accounts are held in these currencies so that the effect of currency variances is hedged to a large extent.

Until 2015 Akdeniz Chemson Additives Limited had an outstanding, subordinated EUR 12.2 million loan from its parent company, for which the subordination and term was extended on a yearly basis. In order to strengthen Akdeniz Chemson Additives Limited and to state its commitment, the parent entity increased the subordinated loan to EUR 20 million and at the same time extended it for an indefinite time. The repayment of the loan was placed at the sole discretion of Akdeniz Chemson Additives Limited. Therefore, as of 2016 the subordinated loan in the amount of EUR 20 million corresponding to GBP 14.7 million (converted with the exchange rate as of January 01, 2016) is stated as capital contribution and as such as part of the company's equity.

The risk of bad debt is drastically minimized by credit insurance policies concluded for all insurable receivables, thereby reducing the own risk for payment default significantly.

The change to another technology would always pose a risk to any business, but as mentioned above, Akdeniz Chemson Additives Limited is well positioned in all application areas to cope with-such changes.

Environment

Akdeniz Chemson Additives Limited operates under a permit issued by the Environment Agency (EA) under the Pollution Prevention and Control Act 1999 (PPC Act) and the Environmental Permitting (England and Wales) Regulations 2010 (EPR).

The site has successfully downgraded its risk through declassification of its COMAH rating site, installation under the Control of Major Accident Hazards (COMAH) Regulations 2015. The aforementioned strategy to eliminate lead-based production and management of inventory has resulted in Akdeniz Chemson Additives Limited being reclassified as a lower-tier COMAH site in September 2015 and reclassified as non COMAH in March 2017.

The site conformed to all its obligations under both COMAH and EPR regulations. The site operates an Environmental Management System (EMS) which conforms to the requirements of the ISO 1400:2004 standard.

Going Concern

Notwithstanding net current liabilities of £3,807,458 and net liabilities of £4,506,184 at 31 December 2020 and a loss for the year then ended of £2,191,415. The financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

In order to improve the Chemson Group's overall financial performance, the Chemson Group Executive Board decided - following a careful evaluation of the company's processes and performance - to cease production activities in the UK by the end of September 2019 and have relocated this to other Group sites in Austria and Turkey. The company, has in 2021, further reduced UK cost by outsourcing logistics, downscaling to sales and administration, and is relieving itself of the old site costs. It is now, therefore structured as a significantly way, comprising sales support and administration only.

STRATEGIC REPORT (continued)
For the year ended 31 December 2020

The directors have prepared a cash flow forecast for a period of 12 months from the date of approval of these financial statements which reflects this reduced commercial operation and lower cost base, which principally comprises fixed personnel and property costs. The forecast indicates that the company will have sufficient funds, through funding from its immediate parent company, Akdeniz Chemson Additives AG, to meet its liabilities, as they fall due for that period. The forecast is dependent on Akdeniz Chemson Additives AG not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £8,438,257, and providing additional financial support as may be required by the Company during that period. Akdeniz Chemson Additives AG has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis

General Outlook

Through the operational review programme, Akdeniz Chemson Additives Limited has kept the infrastructure and management systems in place to ensure that the operational capability of the business matches the market conditions. Akdeniz Chemson Additives Limited will in future focus on technical support by the local sales team and timely distribution. The efficiency benefits afforded by the capacity rationalisation will further underpin its financial stability. The company will continue to focus on increasing its market share by the continuous introduction of market leading products.

The unfavourable development of raw material prices has affected the 2020 result significantly. Akdeniz Chemson Additives Limited expected to improve future margins and achieve a positive run rate by the end of 2020. However, the pandemic prevented this from happening and the company took positive action to further rationalise the business and ensure profitability for 2021

In order to improve the Chemson Group's overall financial performance, the Chemson Group Executive Board has decided - following to a careful evaluation of Chemson UK processes and performance - to cease its own distribution in the UK and to outsource it to a third-party logistics partner. Chemson Group will, however, maintain a reduced UK commercial entity, which will include Sales, Sales Support, and admin functions.

Approved by the Board of Directors and signed on behalf of the Board

R Byron
R Byron (Apr 1, 2022 14:50 GMT+1)

R Byron
Director

Company registered number: 01980314

Hayhole Works
Northumberland Dock Road
Wallsend
Tyne and Wear
NE28 0PB

1 April 2022

DIRECTORS' REPORT

For the year ended 31 December 2020

The directors present their directors' report and financial statements for the year ended 31 December 2020.

DIRECTORS

The following persons held office as Directors during the year and since:

Robin Byron (Member of the Board)	
Suleyman Savaş Erdem (Member of the Board)	
Toker Özcan (Member of the Board)	(resigned 30 November 2020)
Gözde Diner (Member of the Board)	
Ashlihan Döger (Member of the Board)	(appointed 1 December 2020)

POLITICAL AND CHARITABLE CONTRIBUTIONS

The company made no political or charitable contributions during the period (2019: £nil).

DIVIDENDS

No dividends were paid during the year *(2019: £nil).*

AUDITOR

In the case of each of the persons who are Directors of the company at the date when this report is approved:

- So far as each director is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the company's auditor is unaware; and
- Each of the Directors has taken all the steps they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the company's auditor is aware of that information.

This information is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

KPMG LLP resigned as auditor in the period.

PM+M Solutions for Business LLP was appointed auditor and is deemed to continue in office, pursuant to Section 487 of the Companies Act 2006.

Approved by the Board of Directors and signed on behalf of the Board

R Byron
R Byron (Apr 1, 2022 14:50 GMT+1)

R Byron
Director

Company registered number: 01980314

Hayhole Works
Northumberland Dock Road
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Tyne and Wear
NE28 0PB

1 April 2022

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AKDENIZ CHEMSON ADDITIVES LIMITED

Opinion

We have audited the financial statements of Akdeniz Chemson Additives Limited (the 'company') for the year ended 31 December 2020 which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AKDENIZ CHEMSON ADDITIVES LIMITED (continued)

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Cat 2006 requires us to report to you if, in our opinion:

- Adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- The financial statements are not in agreement with the accounting records and returns; or
- Certain disclosures of directors' remuneration specified by law are not made; or
- We have not received all the information and explanations we require for our audit.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We identify and assess the risks of material misstatement in the financial statements, whether due to fraud or error, and then design and perform audit procedures responsive to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AKDENIZ CHEMSON ADDITIVES LIMITED (continued)

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities including fraud and non-compliance with laws and regulations we have considered the following:

- the nature of the industry and sector, control environment and business performance including the company's remuneration policies, key drivers for directors' remuneration, bonus levels and performance targets;
- results of the enquiries of management about their own identification and assessment of the risks of
- any matters we have identified having obtained and reviewed the company's documentation of their policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud,
  - the internal controls established to mitigate risks of fraud or non-compliance with laws and regulations;
  - the matters discussed among the audit engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud in the following areas: timing of recognition of income, posting of unusual journals and complex transactions; and manipulating the company's performance profit measures and other key performance indicators to meet remuneration targets and externally communicated targets. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

We also obtained an understanding of the legal and regulatory frameworks that the company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included UK Companies Act, employment law, health and safety, pensions legislation and tax legislation.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF AKDENIZ CHEMSON ADDITIVES LIMITED (continued)

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed out audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

PM&M Solutions for Business LLP

Helen Clayton BSc FCA (Senior Statutory Auditor)
For and on behalf of PM+M Solutions for Business LLP
New Century House
Challenge Way
Blackburn
Lancashire
BB1 5QB

1 April 2022

PROFIT AND LOSS ACCOUNT AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2020

	Note	Year ended 31 December 2020 £	Year ended 31 December 2019 £
TURNOVER	3	**4,270,702**	20,098,943
Change in stocks of finished goods and work in progress		**(947,176)**	(142,634)
Other operating income		**356,666**	704,650
Raw materials and consumables		**(3,001,468)**	(14,368,721)
Staff costs	6	**(908,046)**	(3,974,814)
Depreciation and other amounts written off tangible and intangible fixed assets		**(170,994)**	(1,476,398)
Other operating expenses		**(1,656,902)**	(5,053,546)
OPERATING LOSS	4	**(2,057,218)**	(4,212,520)
Interest receivable and similar income		**-**	1,244
Interest payable and similar expenses		**(134,197)**	(9,053)
FINANCE (EXPENSE)/INCOME	7	**(134,197)**	(7,809)
LOSS BEFORE TAXATION		**(2,191,415)**	(4,220,329)
Tax on loss	8	**-**	-
LOSS FOR THE FINANCIAL YEAR		**(2,191,415)**	(4,220,329)
Other comprehensive income		**-**	-
TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR		**(2,191,415)**	(4,220,329)

The results for the financial year and the preceding financial period derive solely from continuing activities.

BALANCE SHEET
As at 31 December 2020

	Note	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible fixed assets	9		15,803		22,173
Tangible fixed assets	10		989,018		1,104,182
Right of used assets	10		63,664		160,533
			1,068,485		1,286,888
CURRENT ASSETS					
Stocks	11	451,655		1,743,676	
Debtors	12	1,268,925		946,550	
Cash at bank and in hand		2,552,327		1,397,909	
		4,272,907		4,088,135	
CREDITORS: amounts falling due within one year	13	(8,080,365)		(5,523,282)	
NET CURRENT (LIABILITIES) / ASSETS			(3,807,458)		(1,435,147)
TOTAL ASSETS LESS CURRENT LIABILITIES			(2,738,973)		(148,259)
CREDITORS: amounts falling due after more than one year	15		**(1,225,460)**		(1,216,510)
PROVISIONS FOR LIABILITIES	14		**(541,751)**		(950,000)
NET LIABILITIES			**(4,506,184)**		(2,314,769)
CAPITAL AND RESERVES					
Called up share capital	17		**3,500,002**		3,500,002
Capital contribution	18		**14,679,000**		14,679,000
Profit and loss account			**(22,685,186)**		(20,493,771)
TOTAL SHAREHOLDERS' DEFICIT			**(4,506,184)**		(2,314,769)

These financial statements of Akdeniz Chemson Additives Limited (Company Number: 01980314) were approved by the Board of Directors on 1 April 2022.

Signed on behalf of the Board of Directors

R Byron

R Byron (Apr 1, 2022 14:50 GMT+1)

R Byron
Director

Company registered number: 01980314

STATEMENT OF CHANGES IN EQUITY

	Share capital £	Capital contribution £	Profit and loss account £	Total £
Balance at 1 January 2019	3,500,002	14,679,000	(16,273,442)	1,905,560
Loss for the period	-	-	(4,220,329)	(4,220,329)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	-	-	(4,220,329)	(4,220,329)
Balance at 31 December 2019	3,500,002	14,679,000	(20,493,771)	(2,314,769)
Balance at 1 January 2020	3,500,002	14,679,000	(20,493,771)	(2,314,769)
Loss for the period	-	-	(2,191,415)	(2,191,415)
Other comprehensive expense for the period	-	-	-	-
Total comprehensive expense for the period	-	-	(2,191,415)	(2,191,415)
Balance at 31 December 2020	**3,500,002**	**14,679,000**	**(22,685,186)**	**(4,506,184)**

In 2016 the parent company decided to increase the subordinated, non-interest-bearing loan granted to Akdeniz Chemson Additives Limited from EUR 12.2 million to EUR 20 million. While in previous years the subordination was only granted on a yearly basis, in 2016 the parent company decided to strengthen Akdeniz Chemson Additives Limited by granting the loan under unlimited terms and putting the repayment at the sole discretion of Akdeniz Chemson Additives Limited. Therefore, Akdeniz Chemson Additives Limited states the subordinated loan of EUR 20 million under equity (converted with the exchange rate as of 01 January 2016).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

1. ACCOUNTING POLICIES

General information

Akdeniz Chemson Additives Limited (the company) is a company incorporated in the United Kingdom under the Companies Act 2006. The address of the registered office is given on page 1.

These financial statements are presented in pounds sterling because that is the currency of the primary economic environment in which the company operates.

The company has applied Financial Reporting Standard 101 'Reduced Disclosure Framework' (FRS 101) issued by the Financial Reporting Council (FRC). The accounting policies adopted for the preparation of the financial statements as at 31 December 2020 are consistent with those of the previous financial year.

The directors are currently evaluating the impact of the adoption of standards issued by IASB but not yet effective, early adopted and endorsed by the European Financial Reporting Advisory Group ("EFRAG") but anticipate that their adoption will not have a material effect on the financial statements of the company in future periods.

Basis of preparation

The company meets the definition of a qualifying entity under Financial Reporting Standard (FRS 101) 'Reduced Disclosure Framework' issued by the Financial Reporting Council. These financial statements have been prepared in accordance with FRS 101.

As permitted by FRS 101, the company has taken advantage of the disclosure exemptions available under that standard in relation to non-current assets held for sale, financial instruments, capital management, presentation of comparative period reconciliations for share capital and tangible fixed assets, presentation of a cash-flow statement and related notes, standards not yet effective, impairment of assets, disclosures in respect of the compensation of Key Management Personnel and disclosures in respect of transactions with wholly owned subsidiaries.

Where relevant, equivalent disclosures have been given in the group accounts of Akdeniz Kimya Sanayi ve Ticaret A.Ş., a company incorporated in Turkey and the parent company of the consolidated subgroup. The group accounts of Akdeniz Kimya Sanayi ve Ticaret A.Ş. are available to the public and can be obtained from Oyak Global Investments: 19, Rue de Bitbourg, 1273 Luxembourg.

The financial statements have been prepared under the historical cost convention.

Going Concern

Notwithstanding net current liabilities of £3,807,458 and net liabilities of £4,506,184 at 31 December 2020 and a loss for the year then ended of £2,191,415 the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons.

In order to improve the Chemson Group's overall financial performance, the Chemson Group Executive Board decided - following a careful evaluation of the company's processes and performance - to cease production activities in the UK by the end of September 2019 and have relocated this to other Group sites in Austria and Turkey. The company is now structured as a significantly reduced commercial operation, principally comprising sales support, warehouse and dispatch functions.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

Going Concern *(continued)*

The forecast is dependent on Akdeniz Chemson Additives AG not seeking repayment of the amounts currently due to the group, which at 31 December 2020 amounted to £7,785,801, and providing additional financial support as may be required by the Company during that period. Akdeniz Chemson Additives AG has indicated its intention to continue to make available such funds as are needed by the company, and that it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts.

As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales-related taxes. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

Sale of goods

Revenue from the sale of goods is recognised when all the following conditions are satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the economic benefits associated with the transaction will flow to the entity; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Fixed assets and depreciation

Fixed assets are stated at cost, net of depreciation or amortisation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost less the estimated residual value of each asset by equal instalments over its expected useful lives as follows:

Freehold buildings	-	25 to 30 years
Plant and machinery	-	5 to 25 years
Fixtures and fittings, tools and equipment	-	3 to 15 years

Stocks and work in progress

Stocks are valued at the lower of cost and net realisable value. Cost is determined on a weighted average basis, and includes all direct costs incurred. For work in progress and finished goods manufactured by the company, cost is stated at production cost, which includes an appropriate proportion of attributable overheads. Provision is made for obsolete, slow moving or defective items where appropriate.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

Foreign currencies

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Leases ***(policy applicable before 1 January 2019)***

The company has no finance lease obligations.

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the relevant lease except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Leases ***(policy applicable from 1 January 2019)***

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17.

At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16.

As a lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

Short-term leases and leases of low-value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for lease of low-value assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Post-retirement benefits

The company contributes a set proportion of employees' salaries to defined contribution schemes. The costs are charged to the profit and loss account as they become payable. Differences between contributions payable and contributions actually paid are shown as either accruals or prepayments in the balance sheet.

Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted at the balance sheet date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled, or the asset is realised based on tax laws and rates that have been enacted or substantively enacted at the balance sheet date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Current tax and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the company's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

- In making their judgement, the directors considered the detailed criteria for the recognition of revenue from the sale of goods set out in IFRS 15: Revenue and, in particular, whether the company had transferred to the buyer the significant risks and rewards of ownership of the goods. The directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate. Changes in revenue recognition as implemented by the new standard only affected cut-off procedures, which had practically no impact on the cut-off at the year end.

Key sources of estimation uncertainty

The directors do not consider that there are any key assumptions, in either the current or prior financial year, concerning the future, nor other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. TURNOVER AND REVENUE

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Continuing operations		
Sale of goods	**4,270,702**	20,098,943

Analysis by destination	**Year ended 31 December 2020 £**	Year ended 31 December 2019 £
UK	**3,050,695**	3,898,594
Remaining Europe	**1,238,163**	11,747,356
Rest of the World	**(18,156)**	4,452,993
	4,270,702	20,098,943

All turnover originates within the United Kingdom.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

4. LOSS FOR THE FINANCIAL YEAR

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Operating loss is stated after charging/(crediting):		
Auditor's remuneration:		
Fees payable to the company's auditor for the audit of the company's annual financial statements	**9,750**	29,189
Short term lease rentals - plant and machinery	**110,415**	170,394
Depreciation, amortisation and other amounts written off fixed assets:		
Tangible fixed assets	**110,696**	1,346,999
Right of use assets	**53,928**	126,154
Intangible fixed assets	**6,370**	3,246
Net foreign exchange (losses)/gains	**255,857**	(223,050)

Auditor's remuneration in the year ended 2019 was due to KMPG LLP. In the current year, auditor's remuneration is due to PM+M Solutions for Business LLP. There are no fees due to the current auditor in respect of non-audit services.

5. DIRECTORS' REMUNERATION

The total amounts for directors' remuneration in respect of services to the company were as follows:

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Directors' emoluments	**122,360**	105,667
Contributions to company pension schemes	**10,398**	8,982
	132,758	114,649

Contributions to company pension schemes were made on behalf of one director (2019: one).

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

6. STAFF COSTS

The average number of persons employed by the company (including Directors) during the period, analysed by category, was as follows:

	Year ended 31 December 2020 Number of employees	Year ended 31 December 2019 Number of employees
Office administration	**12**	36
Production	**0**	18
	12	54

The aggregate payroll costs of these persons were as follows:	**£**	£
Wages and salaries	**745,121**	2,470,203
Social security costs	**85,551**	282,212
Other pension costs	**77,374**	239,445
Redundancy costs	**-**	982,954
	908,046	3,974,814

The redundancy costs incurred in the period relate to the operational reorganisation in the year, which is discussed in detail the Strategic Report.

7. FINANCE EXPENSE / (INCOME)

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Interest income on third party receivables	**-**	1,244

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Interest expenses on lease liabilities	**3,619**	5,417
Interest payable to other group companies	**65,468**	62,672
Foreign exchange (losses)/gains on loans	**65,110**	(59,036)
	134,197	9,053

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

8. TAXATION

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Taxation is based on loss for the period and comprises:		
Current tax		
UK corporation tax on loss for the period at 19% (2019: 19%)	-	-
Adjustment in respect of previous periods	-	-
Total current tax charge	-	-
Deferred tax		
Deferred tax charge for the year	-	-
Tax charge on loss	-	-

	Year ended 31 December 2020 £	Year ended 31 December 2019 £
Tax charge reconciliation		
Loss before taxation	(2,191,415)	(4,220,329)
Tax charge/(credit) at UK corporation tax rate of 19.00% *(2019: 19.00 %)*	(416,369)	(801,863)
Effects of:		
Expenditure not deductible for tax purposes	-	3,833
Current year losses for which no deferred tax asset was recognised	416,369	798,030
Total tax (credit)/charge	-	-

Factors that may affect the future tax charge

A deferred tax asset has not been recognised in respect of both other timing differences net of accelerated capital allowances and capital gains held over, and trading losses carried forward as there is insufficient evidence that the asset will be recovered. The amount of the asset not recognised is £488,263 *(31 December 2019: £29,450).*

The March 2020 Budget announced that a rate of 19% would continue to apply with effect from 1 April 2020, and this change was substantively enacted on 17 March 2020. An increase in the UK corporation tax rate from 19% to 25% (effective from 1 April 2023) was substantively enacted on 24 May 2021. This will increase the company's future current tax charge accordingly.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

9. INTANGIBLE FIXED ASSETS

	Licences & similar assets £
Cost	
At 1 January 2020	593,046
Additions	-
At 31 December 2020	593,046
Depreciation	
At 1 January 2020	570,873
Charge for period	6,370
At 31 December 2020	577,243
Net book value	
At 31 December 2020	**15,803**
At 31 December 2019	22,173

10. TANGIBLE FIXED ASSETS AND RIGHT OF USE ASSETS

	Freehold land and buildings £	Plant and machinery £	Fixtures, fittings, tools and equipment £	Right of use assets £	Total £
Cost					
At 1 January 2020	4,279,046	14,831,006	1,244,138	286,687	20,640,877
Disposals	(147,465)	(14,823,149)	(830,303)	(97,817)	(15,898,734)
Additions/ Reclassifications	-	26,983	1,405	948	29,336
At 31 December 2020	4,131,581	34,840	415,240	189,818	4,771,479
Depreciation					
At 1 January 2020	3,215,399	14,822,140	1,212,469	126,154	19,376,162
Charge for the period	100,358	2,159	8,179	53,928	164,624
Disposals	(122,296)	(14,818,486)	(827,279)	(53,928)	(15,821,989)
At 31 December 2020	3,193,461	5,813	393,369	126,154	3,718,797
Net book value					
At 31 December 2020	**938,120**	**29,027**	**21,871**	**63,664**	**1,052,682**
At 31 December 2019	1,063,647	8,866	31,669	160,533	1,264,715

Freehold land and buildings include land with a cost of £451,000 (2019 - £451,000) which is not being depreciated.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

11. STOCKS

	2020 £	2019 £
Raw materials and consumables	**179,189**	739,699
Work in progress	**975**	165,866
Finished goods and goods for resale	**271,491**	838,111
	451,655	1,743,676

Raw materials, consumables and changes in finished goods and work in progress recognised as cost of sales in the year amounted to £3,948,644 *(2019: £14,511,355).*

Stock is stated after provisions for impairment of £ 964,990 *(2019: £ 773,824).*

12. DEBTORS

	2020 £	2019 £
Trade debtors	**891,800**	687,833
Amounts owed by group undertakings	**275,658**	68,273
Other debtors	**49,850**	126,759
Prepayments and accrued income	**51,617**	63,685
	1,268,925	946,550

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade creditors	**67,850**	145,402
Amounts owed to group undertakings	**7,657,187**	4,684,854
Other creditors including taxation and social security	**152,234**	199,768
Lease Liabilities	**52,824**	93,907
Accruals and deferred income	**150,270**	399,351
	8,080,365	5,523,282

14. PROVISIONS

	Restructuring Provision £
Balance at 1 January 2020	950,000
Provisions used during the year	(408,249)
Balance at 31 December 2020	**541,751**

The restructuring provision is in respect of restructuring costs, including those relating to the dismantling of the production plant, in line with the operational restructuring of the business during the year as discussed in the Strategic Report. The provision is expected to be fully utilised by the end of 2021. The impact of discounting is immaterial.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020 £	2019 £
Loan from group undertaking	**1,213,691**	1,148,580
Lease Liabilities	**11,769**	67,930
	1,225,460	1,216,510

Borrowings are repayable as follows:

Long term loans		
Less than one year	-	-
Between one and two years	-	-
Between two and five years	**1,213,691**	1,148,580
	1,213,691	1,148,580

The loan from another group undertaking is unsecured and bears 5.25% interest, which is paid each quarter.

16. DEFERRED TAX ASSET

	2020 £	2019 £
Deferred Taxation		
At 1 January	-	-
Charge/(credit) to the profit and loss account	-	-
At 31 December	-	-

	£	£
The elements of the unrecognised deferred taxation are as follows:		
Accelerated capital allowances	-	-
Losses	**531,158**	72,345
Capital gains rolled over	**(42,895)**	(42,895)
	488,263	29,450

17. CALLED UP SHARE CAPITAL

	2020 £	2019 £
Allotted, called up and fully paid		
3,500,002: Ordinary shares of £1 each	**3,500,002**	3,500,002

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

18. CAPITAL CONTRIBUTION RESERVE

	2020	2019
	£	£
Subordinated shareholder loan	**14,679,000**	14,679,000

Until 2015 Akdeniz Chemson Additives Limited had an outstanding, subordinated EUR 12.2 million loan from its parent company, for which the subordination and term was extended on a yearly basis. In order to strengthen Akdeniz Chemson Additives Limited and to state its commitment, the parent entity decided to increase the subordinated loan to EUR 20 million and at the same time to extend it for an indefinite time. The repayment of the loan was placed at the sole discretion of Akdeniz Chemson Additives Limited. Therefore, as of 2016 the subordinated loan in the amount of EUR 20 million corresponding to GBP 14.7 million (converted with the exchange rate as of January 01, 2016) is stated as capital contribution and as such as part of the company's equity.

19. COMMITMENTS

	2020	2019
	£	£
Capital commitments contracted but not provided	-	-

The company adopted IFRS 16 Leases for the first time in financial statements 2019 using the modified retrospective approach. The 2018 operating lease commitments are disclosed above in accordance with IAS 17. No transition note has been disclosed on the adoption of IFRS 16 on the grounds that the adjustments and impacts on the financial statements are immaterial.

20. PENSION SCHEME

Pension arrangements

After a qualifying period, the company offers employees a G.P.P.P. (Group Personal Pension Plan) which is a defined contribution scheme. This commenced on 1 December 2007 following the closure to future accrual of the previous Defined Benefit scheme.

The company offers employees 8.5% of salary as an employer's contribution, with the employee contributing a minimum of 4% of salary.

The scheme is currently compulsory upon employment but after one month is optional for employees.

As at 31 December 2020 and 2019, all contributions due in respect of the respective reporting period have been paid over to the scheme.

NOTES TO THE FINANCIAL STATEMENTS
Year ended 31 December 2020

21. ULTIMATE PARENT COMPANY

The company is a wholly owned subsidiary of Akdeniz Chemson Additives AG, a company incorporated in Austria and deemed to be the controlling party.

The largest group in which the results are consolidated is that headed by OYAK (Ordu Yardımlaşma Kurumu /Turkish Armed Forces Assistance (and Pension) Fund), Ankara. Akdeniz Kimya Sanayi ve Ticaret A.Ş., a company incorporated in Turkey is the parent company of the subgroup whose consolidated financial statements are available to the public and may be obtained from Oyak Global Investments: 19, Rue de Bitbourg, L-1273 Luxembourg.

22. RELATED PARTY TRANSACTIONS

Under IFRS 1 and IAS 24 "Related Party Disclosures", the group is exempt from the requirements to provide details of transactions with other wholly owned members of the group headed by Oyak Global Investments.