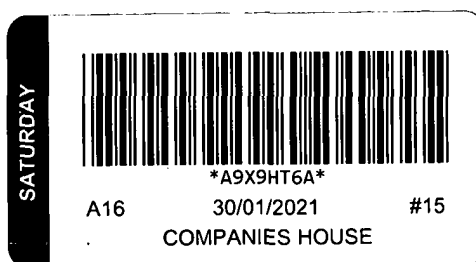


**Group Strategic Report, Report of the Directors and**  
**Consolidated Financial Statements for the Year Ended 31 December 2019**  
**for**  
**MSBW Limited**



**MSBW Limited**

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for the Year Ended 31 December 2019**

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**MSBW Limited**

**Company Information**  
**for the Year Ended 31 December 2019**

**DIRECTORS:**

Mr M W Walker  
Mrs S M Bergstedt

**REGISTERED OFFICE:**

C/o Moorcrofts Thames House  
Mere Park  
Dedmere Road  
Marlow  
Buckinghamshire  
SL7 1PB

**REGISTERED NUMBER:**

10626402 (England and Wales)

**AUDITORS:**

Grant Thornton UK LLP  
Chartered Accountants &  
Statutory Auditors  
1020 Eskdale Road, Winnersh  
Wokingham  
Berkshire  
RG41 5TS

## **MSBW Limited**

### **Group Strategic Report** **for the Year Ended 31 December 2019**

During 2019 there have been changes to the group structure, with Alfa Chemicals Ltd being sold to the Management Team in December of 2019. The name Alfa Chemicals Group Ltd was then changed to MSBW Limited. The sale of Alfa Chemicals Limited was in the form of loan notes from MSBW limited. The loan notes attract interest.

Prior to the sale of Alfa Chemicals Limited the ownership Gattefossé UK Limited was transferred to MSBW Limited by a dividend in-specie, as was the ownership of Arc House, Binfield. Arc House is now rented to Alfa Chemicals limited on a long term lease.

The group has continued to trade profitably and currently holds a significant cash surplus that is being held to await future opportunities.

#### **Principal risks and uncertainties**

The main financial risks arising from the group's activities are credit risk, exchange rate and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The group's policy in respect of credit risk is to require appropriate credit checks on potential customers before sales are made and to monitor payments against contractual agreements for existing customers.

The group's policy in respect of exchange rate risk during the financial year was to maintain bank accounts denominated in Euros and US Dollars to facilitate day to day trading transactions; exposure to movements in exchange rates is mitigated by transferring funds into sterling accounts on a timely basis. As at the balance sheet date there is one bank account denominated in GBP due to the change in group structure during the year.

The group's policy in respect of liquidity risk is to maintain readily accessible bank deposit accounts to ensure the company has sufficient funds for operation.

The company is actively managing the Brexit risk. The impact on the supply chain has been assessed and appropriate strategies have been implemented, The company continues to closely monitor this situation.

#### **Financial key performance indicators**

Turnover, margin and net profit are the main measures used to monitor the performance of the group. Each of these measures has been substantially maintained during the year. This report was approved by the board and signed on its behalf.

#### **ON BEHALF OF THE BOARD:**



.....  
Mr M W Walker - Director

28/1/2021

Date: .....

## **MSBW Limited**

### **Report of the Directors** **for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2019.

#### **Business review and future developments to note:**

During 2019 there have been changes to the group structure. Alfa Chemicals Ltd is no longer owned by MSBW Ltd (previously Alfa Chemicals Group Ltd) and is now owned and controlled by a newco, also named Alfa Chemicals Group Ltd. As part of the restructure, the ownership of the Arc House property has transferred from Alfa Chemicals Ltd to MSBW Ltd by way of a dividend in-specie the property had a valuation of £800,000. Additionally, the undertaking in Gattefosse UK has transferred from Alfa Chemicals Ltd to MSBW Ltd in a share for share exchange.

#### **PRINCIPAL ACTIVITY**

The company which is non trading, has one subsidiary. Alfa Chemicals Limited is engaged in the distribution of speciality raw materials from, primarily, overseas principals to the Pharmaceutical, Personal Care and Industrial markets in the UK and Ireland.

#### **DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2019.

#### **EVENTS SINCE THE END OF THE YEAR**

Information relating to events since the end of the year is given in the notes to the financial statements.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

Mr M W Walker  
Mrs S M Bergstedt

#### **FINANCIAL INSTRUMENTS**

The group continues to finance operations from profits and retained reserves.

The financial instruments utilised are those necessary to facilitate the group's ordinary trade activities, namely cash, trade payables and receivables

#### **POLITICAL DONATIONS AND EXPENDITURE**

During the year the group made charitable donations of £2,364 (2018: £1,134). There were no political contributions.

## **MSBW Limited**

### **Report of the Directors** **for the Year Ended 31 December 2019**

#### **GOING CONCERN**

The financial statements have been prepared under the going concern basis of accounting.

The uncertainty as to the future impact on the company due to the recent Covid-19 outbreak in particular has been considered as part of the company's adoption of the going concern basis. The directors have prepared forecasts for the company covering the period more than 12 months from the date of signing the financial statements, which are considered to be a prudent view taking into account their assessment of the possible impacts of Covid-19. The company's business has remained open and operational during the UK lockdown period and has not been required to furlough any staff nor make any redundancies.

As a result of the forecasts, the directors have concluded that the company has sufficient cash during this period meet its ongoing obligations, and therefore remains a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would result should the going concern basis not be appropriate.

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors 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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the group and of the profit or loss of the group 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 accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the group's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

**MSBW Limited**

**Report of the Directors**  
**for the Year Ended 31 December 2019**

**AUDITORS**

As a result of the Company's intention to take an exemption from the requirements to have an audit for the financial year ended 31 December 2020, Grant Thornton UK LLP will not be reappointed as auditors, and thus, will resign as auditors of the Company.

**ON BEHALF OF THE BOARD:**



.....  
Mr M W Walker - Director

28/1/2021

Date: .....

**Report of the Independent Auditors to the Members of  
MSBW Limited**

**Opinion**

We have audited the financial statements of MSBW Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2019 and of the group's profit 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 group 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.

**The impact of macro-economic uncertainties on our audit**

Our audit of the financial statements requires us to obtain an understanding of all relevant uncertainties, including those arising as a consequence of the effects of macro-economic uncertainties such as Covid-19 and Brexit. All audits assess and challenge the reasonableness of estimates made by the directors and the related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

Covid-19 and Brexit are amongst the most significant economic events currently faced by the UK, and at the date of this report their effects are subject to unprecedented levels of uncertainty, with the full range of possible outcomes and their impacts unknown. We applied a standardised firm-wide approach in response to these uncertainties when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for a company associated with these particular events.



**Report of the Independent Auditors to the Members of  
MSBW Limited**

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

In our evaluation of the directors' conclusions, we considered the risks associated with the company's business/business model, including effects arising from macro-economic uncertainties such as Covid-19 and Brexit, and analysed how those risks might affect the company's financial resources or ability to continue operations over the period of at least twelve months from the date when the financial statements are authorised for issue. In accordance with the above, we have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**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

**Matter on which we are required to report under the Companies Act 2006**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

**Report of the Independent Auditors to the Members of  
MSBW Limited**

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 Statement of Directors' Responsibilities set out on page four, 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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

**Auditors' 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.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
MSBW Limited**

**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 a Report of the Auditors 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.

*Grant Thornton UK LLP*

Steven Cenci FCA (Senior Statutory Auditor)  
for and on behalf of Grant Thornton UK LLP  
Chartered Accountants &  
Statutory Auditors  
1020 Eskdale Road, Winnersh  
Wokingham  
Berkshire  
RG41 5TS

28/1/2021

Date: .....

**MSBW Limited****Consolidated Income Statement**  
**for the Year Ended 31 December 2019**

	Notes	31.12.19 Continuing £	31.12.19 Discontinued £	31.12.19 Total £
<b>TURNOVER</b>	3	2,200	18,055,967	18,058,167
Cost of sales		<u>-</u>	<u>(14,636,050)</u>	<u>(14,636,050)</u>
<b>GROSS PROFIT</b>		2,200	3,419,917	3,422,117
Administrative expenses		<u>(19,910)</u>	<u>(3,238,779)</u>	<u>(3,258,689)</u>
		(17,710)	181,138	163,428
Other operating income		-	480,869	480,869
Gain/loss on revaluation of assets		438,747	-	438,747
		<u>-</u>	<u>-</u>	<u>-</u>
<b>GROUP OPERATING PROFIT</b>	5	421,037	662,007	1,083,044
Share of operating profit in Associates		413,149	-	413,149
Profit on disposal of subsidiary undertaking	6	<u>-</u>	<u>2,349,487</u>	<u>2,349,487</u>
		834,186	3,011,494	3,845,680
Interest receivable and similar income		-	11,588	11,588
Amounts written off investments		<u>-</u>	<u>-</u>	<u>-</u>
<b>PROFIT BEFORE TAXATION</b>		834,186	3,023,082	3,857,268
Tax on profit	7	<u>(83,362)</u>	<u>(305,375)</u>	<u>(388,737)</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>750,824</u>	<u>2,717,707</u>	<u>3,468,531</u>
Profit attributable to: Owners of the parent				<u>3,468,531</u>

The notes form part of these financial statements

**MSBW Limited****Consolidated Income Statement**  
**for the Year Ended 31 December 2019**

	Notes	31.12.18 Continuing £	31.12.18 Discontinued £	31.12.18 Total £
<b>TURNOVER</b>	3	-	16,832,778	16,832,778
Cost of sales		-	(13,164,548)	(13,164,548)
<b>GROSS PROFIT</b>		-	3,668,230	3,668,230
Administrative expenses		-	(3,234,186)	(3,234,186)
		-	434,044	434,044
Other operating income		722,697	354,086	1,076,783
<b>GROUP OPERATING PROFIT</b>	5	722,697	788,130	1,510,827
Interest receivable and similar income		-	22,131	22,131
Amounts written off investments		-	-	-
<b>PROFIT BEFORE TAXATION</b>		722,697	810,261	1,532,958
Tax on profit	7	(236,307)	(67,276)	(303,583)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u>486,390</u>	<u>742,985</u>	<u>1,229,375</u>
Profit attributable to: Owners of the parent				<u>1,229,375</u>

The notes form part of these financial statements

**MSBW Limited****Consolidated Other Comprehensive Income**  
**for the Year Ended 31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>PROFIT FOR THE YEAR</b>		3,468,531	1,229,375
<b>OTHER COMPREHENSIVE INCOME</b>			
Dividend in specie Gattefosse (UK)		2,000	(667,865)
Income tax relating to other comprehensive income		<u>-</u>	<u>-</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>2,000</u>	<u>(667,865)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>3,470,531</u>	<u>561,510</u>
Total comprehensive income attributable to: Owners of the parent		<u>3,470,531</u>	<u>561,510</u>

The notes form part of these financial statements

**MSBW Limited (Registered number: 10626402)****Consolidated Balance Sheet****31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>FIXED ASSETS</b>			
Tangible assets	10	-	679,246
Investments	11	338,573	327,765
Investment property	12	<u>800,000</u>	<u>-</u>
		<u>1,138,573</u>	<u>1,007,011</u>
<b>CURRENT ASSETS</b>			
Stocks	13	-	2,583,390
Debtors	14	7,480,976	2,290,800
Cash at bank		<u>2,036,100</u>	<u>3,646,228</u>
		9,517,076	8,520,418
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>(110,626)</u>	<u>(2,519,260)</u>
<b>NET CURRENT ASSETS</b>		<u>9,406,450</u>	<u>6,001,158</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,545,023	7,008,169
<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(83,362)</u>	<u>(17,039)</u>
<b>NET ASSETS</b>		<u>10,461,661</u>	<u>6,991,130</u>

The notes form part of these financial statements

**MSBW Limited (Registered number: 10626402)****Consolidated Balance Sheet - continued****31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	13,240,000	13,240,000
Other reserves	19	(14,100,000)	(14,100,000)
Retained earnings	19	<u>11,321,661</u>	<u>7,851,130</u>
<b>SHAREHOLDERS' FUNDS</b>		<u><b>10,461,661</b></u>	<u><b>6,991,130</b></u>

The financial statements were approved by the Board of Directors and authorised for issue on 28/1/2021 and were signed on its behalf by:



.....  
Mrs S M Bergstedt - Director



.....  
Mr M W Walker - Director

The notes form part of these financial statements



**MSBW Limited (Registered number: 10626402)****Company Balance Sheet****31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>FIXED ASSETS</b>			
Tangible assets	10	-	-
Investments	11	2,000	13,240,000
Investment property	12	<u>800,000</u>	<u>-</u>
		<u>802,000</u>	<u>13,240,000</u>
<b>CURRENT ASSETS</b>			
Debtors	14	7,480,976	192,000
Cash at bank		<u>2,036,100</u>	<u>-</u>
		9,517,076	192,000
<b>CREDITORS</b>			
Amounts falling due within one year	15	<u>(110,626)</u>	<u>(192,000)</u>
<b>NET CURRENT ASSETS</b>		<u>9,406,450</u>	<u>-</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		10,208,450	13,240,000
<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(83,362)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>10,125,088</u>	<u>13,240,000</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	13,240,000	13,240,000
Retained earnings		<u>(3,114,912)</u>	<u>-</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>10,125,088</u>	<u>13,240,000</u>
Company's (loss)/profit for the financial year		<u>(3,116,912)</u>	<u>200,000</u>

The notes form part of these financial statements

**MSBW Limited (Registered number: 10626402)**

**Company Balance Sheet - continued**  
**31 December 2019**

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

The financial statements were approved by the Board of Directors and authorised for issue on 28/1/2021 and were signed on its behalf by:



.....  
Mrs S M Bergstedt - Director



.....  
Mr M W Walker - Director

The notes form part of these financial statements

**MSBW Limited****Consolidated Statement of Changes in Equity  
for the Year Ended 31 December 2019**

	Called up share capital £	Retained earnings £	Investment revaluation reserve £	Other reserves £	Total equity £
<b>Balance at 1 January 2018</b>	13,240,000	6,821,755	667,865	(14,100,000)	6,629,620
<b>Changes in equity</b>					
Dividends	-	(200,000)	-	-	(200,000)
Total comprehensive income	-	1,229,375	(667,865)	-	561,510
<b>Balance at 31 December 2018</b>	<u>13,240,000</u>	<u>7,851,130</u>	<u>-</u>	<u>(14,100,000)</u>	<u>6,991,130</u>
<b>Changes in equity</b>					
Total comprehensive income	-	3,470,531	-	-	3,470,531
<b>Balance at 31 December 2019</b>	<u>13,240,000</u>	<u>11,321,661</u>	<u>-</u>	<u>(14,100,000)</u>	<u>10,461,661</u>

The notes form part of these financial statements

**MSBW Limited****Company Statement of Changes in Equity**  
**for the Year Ended 31 December 2019**

	Called up share capital £	Retained earnings £	Investment revaluation reserve £	Total equity £
<b>Balance at 1 January 2018</b>	13,240,000	-	667,865	13,907,865
<b>Changes in equity</b>				
Dividends	-	(200,000)	-	(200,000)
Total comprehensive income	-	200,000	(667,865)	(467,865)
<b>Balance at 31 December 2018</b>	<u>13,240,000</u>	<u>-</u>	<u>-</u>	<u>13,240,000</u>
<b>Changes in equity</b>				
Total comprehensive income	-	(3,114,912)	-	(3,114,912)
<b>Balance at 31 December 2019</b>	<u>13,240,000</u>	<u>(3,114,912)</u>	<u>-</u>	<u>10,125,088</u>

The notes form part of these financial statements

**MSBW Limited****Consolidated Cash Flow Statement**  
**for the Year Ended 31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(1,830,849)	692,634
Tax paid		<u>(303,583)</u>	<u>(288,977)</u>
Net cash from operating activities		<u>(2,134,432)</u>	<u>403,657</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(111,954)	(134,054)
Purchase of fixed asset investments		(6,755)	-
Sale of tangible fixed assets		625,442	23,043
Sale of fixed asset investments		5,983	-
Interest received		11,588	22,131
Dividends received		<u>-</u>	<u>400,000</u>
Net cash from investing activities		<u>524,304</u>	<u>311,120</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		<u>-</u>	<u>(200,000)</u>
Net cash from financing activities		<u>-</u>	<u>(200,000)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>			
Cash and cash equivalents at beginning of year	2	<u>3,646,228</u>	<u>3,131,451</u>
Cash and cash equivalents at end of year	2	<u><u>2,036,100</u></u>	<u><u>3,646,228</u></u>

The notes form part of these financial statements

**MSBW Limited****Notes to the Consolidated Cash Flow Statement  
for the Year Ended 31 December 2019****1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	31.12.19	31.12.18
	£	£
Profit before taxation	3,857,268	1,532,958
Depreciation charges	172,590	172,427
Loss/(profit) on disposal of fixed assets	22,527	(6,105)
Gain on revaluation of fixed assets	(438,747)	-
Share of operating profits in associates	(413,149)	(354,086)
(Increase) in amounts in associates	247,634	(206,974)
Tax (paid/received)	(77,819)	-
Finance income	(11,588)	(22,131)
	<u>3,358,716</u>	<u>1,116,089</u>
Decrease/(increase) in stocks	2,583,390	(468,079)
(Increase)/decrease in trade and other debtors	(5,437,810)	423,147
Decrease in trade and other creditors	<u>(2,335,145)</u>	<u>(378,523)</u>
<b>Cash generated from operations</b>	<u><b>(1,830,849)</b></u>	<u><b>692,634</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>2,036,100</u>	<u>3,646,228</u>

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u>3,646,228</u>	<u>3,131,451</u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>3,646,228</u>	<u>(1,610,128)</u>	<u>2,036,100</u>
	<u>3,646,228</u>	<u>(1,610,128)</u>	<u>2,036,100</u>
<b>Total</b>	<b>3,646,228</b>	<b>(1,610,128)</b>	<b>2,036,100</b>

The notes form part of these financial statements

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The notes form part of these financial statements

**MSBW Limited**

**Notes to the Consolidated Financial Statements**  
**for the Year Ended 31 December 2019**

**1. STATUTORY INFORMATION**

MSBW Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.



## **MSBW Limited**

### **Notes to the Consolidated Financial Statements - continued** **for the Year Ended 31 December 2019**

#### **2. ACCOUNTING POLICIES**

##### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard FRS102, the Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act.

There is currently a high level of macro-economic uncertainty due to Covid-19. The preparation of the financial statements requires the directors to make a number of estimates, including an assessment of the appropriateness of the going concern basis of preparation of the financial statements. This assessment includes a review of the future economic environment and the Group's future prospects and performance.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires group management to exercise judgement in applying the group's accounting policies.

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

##### **Going Concern**

The financial statements have been prepared under the going concern basis of accounting.

The uncertainty as to the future impact on the company due to the recent Covid-19 outbreak in particular has been considered as part of the company's adoption of the going concern basis. The directors have prepared forecasts for the company covering the period more than 12 months from the date of signing the financial statements, which are considered to be a prudent view taking into account their assessment of the possible impacts of Covid-19.

The company's business has remained open and operational during the UK lockdown period and has not been required to furlough any staff nor make any redundancies.

As a result of the forecasts, the directors have concluded that the company has sufficient cash during this period meet its ongoing obligations, and therefore remains a going concern. Accordingly, they continue to adopt the going concern basis in preparing the financial statements. The financial statements do not include any adjustments that would result should the going concern basis not be appropriate.

The following principal accounting policies have been applied:

## **MSBW Limited**

### **Notes to the Consolidated Financial Statements - continued** **for the Year Ended 31 December 2019**

#### **2. ACCOUNTING POLICIES - continued**

##### **Basis of consolidation**

The consolidated financial statements present the results of the company and its own subsidiaries ("the group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date the control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS102.

##### **Going concern**

The accounts are prepared on the going concern basis. In accordance whether the going concern assumption is appropriate, the directors have taken into account all relevant information about the future trading including profit and cash forecasts. Due to the above it is considered appropriate to adopt the going concern basis of accounting in the preparation of the financial statements.

##### **Associates and joint ventures**

An entity is treated as a joint venture where the group is a party to a contractual agreement with one or more parties from outside the group to undertake an economic activity that is subject to joint control.

An entity is treated as an associated undertaking where the group exercises significant influence in that it has the power to participate in the operating and financial policy decisions.

In the consolidated accounts, interests in associated undertakings are accounted for using the equity method of accounting. Under this method an equity investment is initially recognised at the transaction price (including transaction costs) and is subsequently adjusted to reflect the investors share of the profit or loss, other comprehensive income and equity of the associate. The Consolidated statement of comprehensive income includes the group's share of the operating results, interest, pre-tax results and attributable taxation of such undertakings applying accounting policies consistent with those of the group. In the Consolidated balance sheet, the interests in associated undertakings are shown as the group's share of the identifiable net assets, including any unamortised premium paid on acquisition.

Any premium on acquisition is dealt with in accordance with the goodwill policy.

## **MSBW Limited**

### **Notes to the Consolidated Financial Statements - continued** **for the Year Ended 31 December 2019**

#### **2. ACCOUNTING POLICIES - continued**

##### **Critical accounting judgements and key sources of estimation uncertainty**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements and estimates have had the most significant effect on amounts recognised in the financial statements.

##### **Bad debt provisions**

Provisions are estimated by the company in respect of specific debts based upon the age of the debt and knowledge of known issues.

##### **Stock provisions**

Provisions are estimated by the company in respect of specific stocks based upon the age of the stock and knowledge of known issues.

##### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Sales are recognised on delivery of goods to the customers.

##### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 33% on cost

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 Consolidated statement of comprehensive income.

##### **Investments in subsidiaries**

Investments in subsidiary undertakings are recognised at cost.

##### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

Investment properties are included in the financial statements at their fair value in accordance with FRS 102 and are not depreciated. Changes in fair value are recognised in profit or loss.

## **MSBW Limited**

### **Notes to the Consolidated Financial Statements - continued** **for the Year Ended 31 December 2019**

#### **2. ACCOUNTING POLICIES - continued**

##### **Stocks**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow moving stocks. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

##### **Financial instruments**

The group only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Consolidated statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise and settle the liability simultaneously.

##### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Consolidated Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### **Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

##### **Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

## **MSBW Limited**

### **Notes to the Consolidated Financial Statements - continued** **for the Year Ended 31 December 2019**

#### **2. ACCOUNTING POLICIES - continued**

##### **Pension costs and other post-retirement benefits**

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

The contributions are recognised as an expense in the Consolidated 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 group in independently administered funds.

##### **Provisions for liabilities**

Provisions are made where an event has taken place that gives the group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

**MSBW Limited****Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2019****2. ACCOUNTING POLICIES - continued****Debtors**

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

**Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the group's cash management.

**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.

**Interest income**

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

**Dividends**

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the group.

An analysis of turnover by geographical market is given below:

	31.12.19	31.12.18
	£	£
United Kingdom	9,633,533	11,108,652
Europe	3,076,381	3,498,216
Rest of world	5,348,253	2,225,910
	<u>18,058,167</u>	<u>16,832,778</u>

**MSBW Limited****Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019****4. EMPLOYEES AND DIRECTORS**

	31.12.19	31.12.18
	£	£
Wages and salaries	1,821,532	1,714,502
Social security costs	237,010	207,405
Other pension costs	97,766	76,751
	<u>2,156,308</u>	<u>1,998,658</u>

The average number of employees during the year was as follows:

	31.12.19	31.12.18
Trading	24	22
Administration	<u>18</u>	<u>16</u>
	<u>42</u>	<u>38</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 42 (2018 - 38).

	31.12.19	31.12.18
	£	£
Directors' remuneration	<u>12,000</u>	<u>12,000</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	31.12.19	31.12.18
	£	£
Depreciation - owned assets	179,163	172,427
Profit on disposal of fixed assets	(13,405)	(6,105)
Auditors' remuneration	13,380	27,750
Taxation compliance services	4,120	-
Foreign exchange differences	(15,341)	(34,791)
Defined contribution pension cost	<u>97,766</u>	<u>76,751</u>

**6. EXCEPTIONAL ITEMS**

	31.12.19	31.12.18
	£	£
Profit on disposal of subsidiary undertaking	<u>2,349,487</u>	<u>-</u>

**MSBW Limited****Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019****7. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	305,375	311,420
Deferred tax	<u>83,362</u>	<u>(7,837)</u>
Tax on profit	<u>388,737</u>	<u>303,583</u>

UK corporation tax has been charged at 19% (2018 - 19%).

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	31.12.19	31.12.18
	£	£
Profit before tax	<u>3,857,268</u>	<u>1,532,958</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	732,881	291,262
Effects of:		
Expenses not deductible for tax purposes	44,788	16,013
Income not taxable for tax purposes	(411,581)	-
Fixed asset differences	22,649	3,222
Adjustment to tax charge in relation to previous period	-	(12,189)
Adjust closing deferred tax to average rate of 19%	-	(2,005)
Adjust opening deferred tax to average rate of 19%	-	3,385
Deferred tax not recognised	<u>-</u>	<u>3,895</u>
Total tax charge	<u>388,737</u>	<u>303,583</u>

**Tax effects relating to effects of other comprehensive income**

	31.12.19	
	Gross	Net
	£	£
Dividend in specie Gattefosse (UK)	<u>2,000</u>	<u>2,000</u>



**MSBW Limited****Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019****7. TAXATION - continued**

		31.12.18	
	Gross £	Tax £	Net £
Investment revaluation reserve	<u>(667,865)</u>	<u>-</u>	<u>(667,865)</u>

**8. INDIVIDUAL INCOME STATEMENT**

As permitted by Section 408 of the Companies Act 2006, the Income Statement of the parent company is not presented as part of these financial statements. The loss for the year was £3,116,912.

**9. DIVIDENDS**

	31.12.19 £	31.12.18 £
Ordinary shares of £1 each		
Interim	<u>-</u>	<u>200,000</u>

**10. TANGIBLE FIXED ASSETS****Group**

	Freehold property £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>				
At 1 January 2019	912,832	469,741	274,413	1,656,986
Additions	-	23,445	88,509	111,954
Disposals	<u>(912,832)</u>	<u>(493,186)</u>	<u>(362,922)</u>	<u>(1,768,940)</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEPRECIATION</b>				
At 1 January 2019	534,619	286,199	156,922	977,740
Charge for year	17,565	95,651	65,947	179,163
Eliminated on disposal	<u>(552,184)</u>	<u>(381,850)</u>	<u>(222,869)</u>	<u>(1,156,903)</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET BOOK VALUE</b>				
At 31 December 2019	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
At 31 December 2018	<u>378,213</u>	<u>183,542</u>	<u>117,491</u>	<u>679,246</u>

**MSBW Limited****Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2019****11. FIXED ASSET INVESTMENTS****Group**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2019	327,765
Additions	6,755
Disposals	(5,983)
Share of profit/(loss)	<u>10,036</u>
At 31 December 2019	<u>338,573</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>338,573</u>
At 31 December 2018	<u>327,765</u>

**Company**

	Shares in group undertakings £
<b>COST</b>	
At 1 January 2019	13,240,000
Additions	2,000
Disposals	<u>(13,240,000)</u>
At 31 December 2019	<u>2,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>2,000</u>
At 31 December 2018	<u>13,240,000</u>

**MSBW Limited****Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2019****11. FIXED ASSET INVESTMENTS - continued**

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

**Subsidiary****Gattefosse (UK) Limited**

Registered office: Moorcrofts LLP, Thames House, Mere Park, Dedmere Road, Marlow, Bucks, SL7 1PB

Nature of business: Chemical importer and Distributor

	%		
Class of shares:	holding		
Ordinary B	40.00		
		31.12.19	31.12.18
		£	£
Aggregate capital and reserves		846,431	809,904
Profit for the year		<u>836,627</u>	<u>717,024</u>

**12. INVESTMENT PROPERTY****Group**

	Total £
<b>FAIR VALUE</b>	
Transfer	361,253
Revaluations	<u>438,747</u>
At 31 December 2019	<u>800,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>800,000</u>

The valuations were made by Deriaz Slater LLP, Chartered Surveyors, an independent third party on an open marketing for existing use basis.

Fair value at 31 December 2019 is represented by:

	£
Valuation in 2019	438,747
Cost	<u>361,253</u>
	<u>800,000</u>

**MSBW Limited****Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019****12. INVESTMENT PROPERTY - continued**

Company	Total £
<b>FAIR VALUE</b>	
Additions	361,253
Revaluations	<u>438,747</u>
At 31 December 2019	<u>800,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>800,000</u>

Fair value at 31 December 2019 is represented by:

	£
Valuation in 2019	438,747
Cost	<u>361,253</u>
	<u>800,000</u>

**13. STOCKS**

	Group	
	31.12.19 £	31.12.18 £
Stocks	<u>-</u>	<u>2,583,390</u>

**14. DEBTORS**

	Group		Company	
	31.12.19 £	31.12.18 £	31.12.19 £	31.12.18 £
Amounts falling due within one year:				
Trade debtors	-	1,910,918	-	-
Amounts owed by group undertakings	-	247,634	-	-
Other debtors	2,177,784	74,268	2,177,784	192,000
VAT	992	-	992	-
Prepayments and accrued income	<u>2,200</u>	<u>57,980</u>	<u>2,200</u>	<u>-</u>
	<u>2,180,976</u>	<u>2,290,800</u>	<u>2,180,976</u>	<u>192,000</u>

**MSBW Limited****Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019****14. DEBTORS - continued**

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Amounts falling due after more than one year:				
Other debtors	<u>5,300,000</u>	<u>-</u>	<u>5,300,000</u>	<u>-</u>
Aggregate amounts	<u>7,480,976</u>	<u>2,290,800</u>	<u>7,480,976</u>	<u>192,000</u>

The Other debtors balance relates to fixed rate guaranteed secured loan notes of £7,477,784 to be received from Alfa Chemicals Group Limited. The repayments are equal quarterly repayments to 15 October 2029 with interest rate for each quarter of 5% per annum.

**15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Trade creditors	5,952	1,130,062	5,952	-
Tax	-	73,489	-	-
Social security and other taxes	-	566,916	-	-
Other creditors	-	-	-	192,000
Accruals and deferred income	<u>104,674</u>	<u>748,793</u>	<u>104,674</u>	<u>-</u>
	<u>110,626</u>	<u>2,519,260</u>	<u>110,626</u>	<u>192,000</u>

**MSBW Limited****Notes to the Consolidated Financial Statements - continued**  
**for the Year Ended 31 December 2019****16. FINANCIAL INSTRUMENTS**

	<b>Group</b>	
	31.12.19	31.12.18
	£	£
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit and loss	2,036,100	3,646,228
Financial assets that are debt instruments measured at amortised cost	<u>7,480,976</u>	<u>2,232,820</u>
	<u>9,517,076</u>	<u>5,879,048</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(110,626)</u>	<u>(1,878,855)</u>

	<b>Company</b>	
	31.12.19	31.12.18
	£	£
<b>FINANCIAL ASSETS</b>		
Financial assets measured at fair value through profit and loss	2,036,100	-
Financial assets that are debt instruments measured at amortised cost	<u>7,480,976</u>	<u>192,000</u>
	<u>9,517,076</u>	<u>192,000</u>
<b>FINANCIAL LIABILITIES</b>		
Financial liabilities measured at amortised cost	<u>(110,626)</u>	<u>(192,000)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings, other debtors and accrued income.

Financial liabilities measured at amortised cost comprise bank and other loans (including finance leases), overdrafts, trade creditors, other creditors, amounts owed to group undertakings and accruals.

**17. PROVISIONS FOR LIABILITIES**

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Deferred tax	<u>83,362</u>	<u>17,039</u>	<u>83,362</u>	<u>-</u>

**MSBW Limited****Notes to the Consolidated Financial Statements - continued  
for the Year Ended 31 December 2019****17. PROVISIONS FOR LIABILITIES - continued****Group**

	Deferred tax £
Balance at 1 January 2019	17,039
Provided during year	83,362
Utilised during year	<u>(17,039)</u>
Balance at 31 December 2019	<u>83,362</u>

**Company**

	Deferred tax £
Provided during year	<u>83,362</u>
Balance at 31 December 2019	<u>83,362</u>

**18. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19 £	31.12.18 £
13,240,000	Ordinary	£1	<u>13,240,000</u>	<u>13,240,000</u>

**19. RESERVES****Investment property revaluation reserve**

Gains/losses arising on the revaluation of the Company's investment property. This reserve is not a distributable reserve.

**Other reserves**

The other reserves represents the difference between the amount paid by Alfa Chemicals Group Limited to acquire the share capital of Alfa Chemicals Limited and the book value of the share capital.

**Profit and loss account**

Includes all current & prior period retained profits & losses.

## **MSBW Limited**

### **Notes to the Consolidated Financial Statements - continued** **for the Year Ended 31 December 2019**

#### **20. 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 £97,766 (2018: £76,751).

#### **21. RELATED PARTY DISCLOSURES**

The company has taken advantage of the exemption conferred by FRS 102 not to disclose transactions with wholly owned subsidiaries within the group.

During 2019 there have been changes to the group structure. Alfa Chemicals Ltd is no longer owned by MSBW Ltd (previously Alfa Chemicals Group Ltd) and is now owned and controlled by a newco, also named Alfa Chemicals Group Ltd. As part of the restructure, the ownership of the Arc House property has transferred from Alfa Chemicals Ltd to MSBW Ltd by way of a dividend in-specie the property had a valuation of £800,000. Additionally, the undertaking in Gattefosse UK has transferred from Alfa Chemicals Ltd to MSBW Ltd as a dividend in-specie.

During the year the Alfa Chemicals Ltd received services totalling £33,036 (2018: £37,790) and provided services totalling £9,073 (2018: £Nil) from a company owned by the directors.

Infinity Ingredients Limited and Alchemy Ingredients Limited are companies related by common control.

Clydebridge Chemicals Limited and Clydebridge Group Limited were companies related by common control until the 17th December when a sale took place.

Alfa Chemicals Ltd provided services totalling £95,625 (2018: £90,614) to and received goods totalling £33,408 (2018: £45,936) from Infinity Ingredients Limited.

Alfa Chemicals Ltd provided services totalling £172,948 (2018: £399,867) to, and received goods totalling £64,997 (2018: £424,424) from, Clydebridge Chemicals Limited. At 31 December 2019 the company was no longer under common control.

Alfa Chemicals Ltd provided services totalling £73,465 (2018: £95,512) to, and received goods totalling £247,978 (2018: £331,173) from, Alchemy Ingredients Limited.

#### **22. POST BALANCE SHEET EVENTS**

On 11 March 2020, the World Health Organisation declared the Covid-19 outbreak as a pandemic. This is a non-adjusting post balance sheet event and the impact of Covid-19 has been considered by the directors as part of their going concern assessment. The company is unable to make a reasonable estimate of the financial impact of the non-adjusting event at this stage.

#### **23. ULTIMATE CONTROLLING PARTY**

The group is controlled by M W Walker by virtue of his shareholding in the parent company.