

Financial Statements
for the Year Ended 31 December 2020
for
Forchem Ltd.

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for the Year Ended 31 December 2020**

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Forchem Ltd.

**Company Information
for the Year Ended 31 December 2020**

DIRECTOR:	C I Anderson
REGISTERED OFFICE:	Office 207, The Innovation Centre Venture Court Queens Meadow Business Park Hartlepool Co. Durham TS25 5TG
REGISTERED NUMBER:	04546531 (England and Wales)
SENIOR STATUTORY AUDITOR:	Simon Hook FCCA
AUDITORS:	Clive Owen LLP Chartered Accountants Registered Auditors Kepier House Belmont Business Park Durham DH1 1TW

Forchem Ltd. (Registered number: 04546531)

**Balance Sheet
31 December 2020**

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Tangible assets	4		131		21
CURRENT ASSETS					
Debtors	5	8,886		24,748	
Cash at bank		<u>22,886</u>		<u>71,521</u>	
		31,772		96,269	
CREDITORS					
Amounts falling due within one year	6	<u>13,771</u>		<u>81,296</u>	
NET CURRENT ASSETS			<u>18,001</u>		<u>14,973</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,132</u>		<u>14,994</u>
CAPITAL AND RESERVES					
Called up share capital	7		1		1
Retained earnings			<u>18,131</u>		<u>14,993</u>
SHAREHOLDERS' FUNDS			<u>18,132</u>		<u>14,994</u>

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the director and authorised for issue on 30 September 2021 and were signed by:

C I Anderson - Director

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. STATUTORY INFORMATION

Forchem Ltd. 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 Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of 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.

There were no material departures from that standard.

The principal accounting policies adopted in the preparation of the financial statements are set out below and have remained unchanged from the previous year, and also have been consistently applied within the same accounts.

Going concern

The directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The directors make this assessment in respect of a period of at least one year from the date the financial statements are approved.

At the date of approval, the country and indeed the rest of the world is in the midst of dealing with the Covid-19 pandemic. This has impacted unfavourably on the levels of work possible. The company has taken steps to deal with the financial impact of this, including taking advantage of government grants. Whilst there is uncertainty around the length of time the Covid-19 pandemic will last and the full impact on the global economy, the directors believe that it is appropriate to continue to adopt the going concern basis of accounting in preparing the financial statements due to the levels of reserves and potential financial support available.

The company relies on the support of the parent company as it not only provides cashflow assistance but also a significant customer for the company. The adoption of the going concern basis is dependent on this continued support of which there is a material uncertainty as to whether this can continue.

The financial statements are prepared on the going concern basis which assumes that the company will continue to trade. However, the validity of the going concern basis is dependent upon the company's ability to continue to operate within its agreed facilities and the support of the parent company. If the company is unable to continue to trade, adjustments would be required to reduce the value of assets to their recoverable amount, to provide for any further liabilities that might arise and to reclassify fixed assets and long term liabilities as current assets and liabilities.

Related party transactions

The group has taken advantage of exemption, under the terms of Section 1A "Small Entities" of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

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

Income is received in advance for services, any income relating to future periods is deferred.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Office equipment	- 33% on cost
Fixtures and fittings	- 25% on reducing balance

Tangible fixed assets are included at cost less accumulated depreciation and impairments.

Government grants

Revenue based grants have been credited to the profit or loss account in the period to which they relate.

Financial instruments

Basic financial instruments are recognised at amortised cost with changes recognised in profit and loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, 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.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Operating leases

Rentals payable under operating leases are charged to the profit and loss account in the period to which they relate.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 2 (2019 - 2) .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

4. **TANGIBLE FIXED ASSETS**

	Office equipment £	Fixtures and fittings £	Totals £
COST			
At 1 January 2020	2,879	1,261	4,140
Additions	166	-	166
Disposals	(2,879)	-	(2,879)
At 31 December 2020	<u>166</u>	<u>1,261</u>	<u>1,427</u>
DEPRECIATION			
At 1 January 2020	2,879	1,240	4,119
Charge for year	35	21	56
Eliminated on disposal	(2,879)	-	(2,879)
At 31 December 2020	<u>35</u>	<u>1,261</u>	<u>1,296</u>
NET BOOK VALUE			
At 31 December 2020	<u>131</u>	<u>-</u>	<u>131</u>
At 31 December 2019	<u>-</u>	<u>21</u>	<u>21</u>

5. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Amounts owed by group undertakings	5,830	22,500
Other debtors	<u>3,056</u>	<u>2,248</u>
	<u>8,886</u>	<u>24,748</u>

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

	2020 £	2019 £
Trade creditors	761	555
Tax and social security	6,644	6,945
Other creditors	756	1,333
Accruals and deferred income	<u>5,610</u>	<u>72,463</u>
	<u>13,771</u>	<u>81,296</u>

7. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2020	2019
Number:	Class:	Nominal value:	£	£
1	Ordinary	£1	<u>1</u>	<u>1</u>

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

8. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

Simon Hook FCCA (Senior Statutory Auditor)
for and on behalf of Clive Owen LLP

Material uncertainty relating to going concern

We draw your attention to note 2 in the Financial Statements which indicates that the ability for the Company to continue as a going concern is dependent on the continued support of the Parent Company.

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

Our opinion is not modified in respect of this matter.

9. PARENT UNDERTAKING

The company's parent undertaking is Forchem Oyj, incorporated in Finland.

10. ULTIMATE PARENT COMPANY

The ultimate parent company is Respol Resinas S.A, a company incorporated in Portugal, who owns the shares in Forchem Oyj, the immediate parent company.

The consolidated accounts of this company are available to the public and may be obtained from Forchem Oyj, Maanpääntie 3, FI-26820 Rauma, Finland. No other group financial statements include the results of the company.

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