

Parex Ltd
Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2021

Haines Watts Tamworth Limited
Chartered Accountants and Statutory Auditors
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

| | Page |
|---|-------------|
| Company Information | 1 |
| Strategic Report | 2 |
| Report of the Directors | 3 |
| Report of the Independent Auditors | 4 |
| Income Statement | 8 |
| Other Comprehensive Income | 9 |
| Balance Sheet | 10 |
| Statement of Changes in Equity | 11 |
| Notes to the Financial Statements | 12 |

DIRECTORS:

M D Garrod
A C Gonzalez Lucas

REGISTERED OFFICE:

C/O Sika Limited
Watchmead
Welwyn Garden City
Hertfordshire
AL7 1BQ

REGISTERED NUMBER:

02450579 (England and Wales)

AUDITORS:

Haines Watts Tamworth Limited
Chartered Accountants and Statutory Auditors
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

**Strategic Report
for the Year Ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

While the company was trading its principal activities were that of the manufacture and supply of specialist materials for civil engineering, infrastructure and construction.

On 30th Sept 2020 the company transferred its trade and some assets and liabilities to Sika Ltd as part of a post-acquisition entity integration programme. Sika AG acquired the global Parex Group during May 2019.

The loss for the year represents costs incurred associated with the closure of the entity's main operating location once it's trade and assets had been transferred to Sika Ltd. The loss is in line with the expectations of the Directors.

PRINCIPAL RISKS AND UNCERTAINTIES

As the entity is no longer trading it's not exposed to risks and uncertainty.

The plan is to fully liquidate the balance sheet of the entity so that it can be struck off during 2023.

KEY PERFORMANCE INDICATORS (KPI'S)

Given that the entity has ceased trading and will be struck off it's felt that analysis using KPIs is not necessary for an understanding of the development and performance of the business.

ON BEHALF OF THE BOARD:

M D Garrod - Director

26 September 2022

**Report of the Directors
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2021 was £750,000 (2020 - £2,500,000).

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 2021 to the date of this report.

M D Garrod
A C Gonzalez Lucas

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the 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 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 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 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 also responsible for safeguarding the assets of the company 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 company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Haines Watts Tamworth Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

M D Garrod - Director

26 September 2022

Opinion

We have audited the financial statements of Parex Ltd (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other 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 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 company's affairs as at 31 December 2021 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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.

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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors 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 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, 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 Statement of Directors' Responsibilities set out on page three, 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.

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.

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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 considered the following:

- results of our enquiries of management about their own identification and assessment of the risks and irregularities
- any matters we identified having obtained an understanding of the company policies and procedures relating to
- identifying, evaluating and complying with laws and regulations and whether they are 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 set up 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.
- obtaining an understanding of the legal and regulatory framework that the company operates in, focusing on those laws and regulations that had a direct effect on the financial statements, including UK Companies Act 2006, pensions and tax legislation
- provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid material penalty.

As a result of performing the above, we did not identify any key audit matters related to the potential risk of fraud or non-compliance with laws and regulations.

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 legal action and claims
- carrying out analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud
- 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.
- considering performance targets and their influence on efforts made by management to manage earnings

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud

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 Report of the Auditors.

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.

Stephen Butler BA FCA (Senior Statutory Auditor)
for and on behalf of Haines Watts Tamworth Limited
Chartered Accountants and Statutory Auditors
Sterling House
97 Lichfield Street
Tamworth
Staffordshire
B79 7QF

26 September 2022

**Income Statement
for the Year Ended 31 December 2021**

| | Notes | 2021 £ | 2020 £ |
|---|-------|-----------|------------|
| TURNOVER | 3 | - | 15,577,385 |
| Cost of sales | | - | 9,708,968 |
| GROSS PROFIT | | - | 5,868,417 |
| Administrative expenses | | 182,726 | 3,774,435 |
| OPERATING (LOSS)/PROFIT | 5 | (182,726) | 2,093,982 |
| Onerous lease provision | 6 | - | 256,044 |
| | | (182,726) | 1,837,938 |
| Income from shares in group undertakings | | - | 500,000 |
| | | (182,726) | 2,337,938 |
| Interest payable and similar expenses | 7 | 1,449 | 3,921 |
| (LOSS)/PROFIT BEFORE TAXATION | | (184,175) | 2,334,017 |
| Tax on (loss)/profit | 8 | - | 345,234 |
| (LOSS)/PROFIT FOR THE FINANCIAL YEAR | | (184,175) | 1,988,783 |

**Other Comprehensive Income
for the Year Ended 31 December 2021**

| | Notes | 2021 £ | 2020 £ |
|--|-------|------------------|------------------|
| (LOSS)/PROFIT FOR THE YEAR | | (184,175) | 1,988,783 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>(184,175)</u> | <u>1,988,783</u> |

Balance Sheet
31 December 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|--|-------|----------------|-------------------|------------------|-------------------|
| FIXED ASSETS | | | | | |
| Intangible assets | 10 | | - | | - |
| Investments | 11 | | <u>2,430,470</u> | | <u>2,220,451</u> |
| | | | 2,430,470 | | 2,220,451 |
| CURRENT ASSETS | | | | | |
| Debtors | 12 | 7,990,403 | | 9,099,173 | |
| Cash at bank | | <u>38,604</u> | | <u>671,852</u> | |
| | | 8,029,007 | | 9,771,025 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 13 | <u>447,103</u> | | <u>1,044,927</u> | |
| NET CURRENT ASSETS | | | <u>7,581,904</u> | | <u>8,726,098</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | <u>10,012,374</u> | | <u>10,946,549</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 14 | | 318,750 | | 318,750 |
| Share premium | 15 | | 26,250 | | 26,250 |
| Retained earnings | 15 | | <u>9,667,374</u> | | <u>10,601,549</u> |
| SHAREHOLDERS' FUNDS | | | <u>10,012,374</u> | | <u>10,946,549</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 26 September 2022 and were signed on its behalf by:

M D Garrod - Director

**Statement of Changes in Equity
for the Year Ended 31 December 2021**

| | Called up share capital £ | Retained earnings £ | Share premium £ | Total equity £ |
|------------------------------------|------------------------------------|---------------------------|-----------------------|----------------------|
| Balance at 1 January 2020 | 318,750 | 11,112,766 | 26,250 | 11,457,766 |
| Changes in equity | | | | |
| Dividends | - | (2,500,000) | - | (2,500,000) |
| Total comprehensive income | - | 1,988,783 | - | 1,988,783 |
| Balance at 31 December 2020 | <u>318,750</u> | <u>10,601,549</u> | <u>26,250</u> | <u>10,946,549</u> |
| Changes in equity | | | | |
| Dividends | - | (750,000) | - | (750,000) |
| Total comprehensive income | - | (184,175) | - | (184,175) |
| Balance at 31 December 2021 | <u>318,750</u> | <u>9,667,374</u> | <u>26,250</u> | <u>10,012,374</u> |

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

Parex 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 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.

Although the company will have its assets and liabilities transferred to another Group company and effectively cease to operate as a functioning company at that point, in the view of the Directors the going concern basis is still appropriate and the accounts are unadjusted in light of this as the carrying values in the financial statements will be paid for or satisfied as part of the group reorganisation.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Parex Ltd as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate controlling party, Sika AG, incorporated in Switzerland. Copies of the group accounts can be obtained from Zugerstrasse 50, CH-6341 Baar, Switzerland.

Related party exemption

The company has taken advantage of exemption, under the terms 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.

2. ACCOUNTING POLICIES - continued

Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must be met before revenue is recognised:

Sale of Goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of goods.

Rendering of Services

Revenue generated from the delivery of training courses is recognised when the training courses are delivered.

Interest Income

Revenue is recognised as interest accrues using the effective interest method.

Dividends

Revenue is recognised when the Company's right to receive the payment is established.

Goodwill

Goodwill is amortised over its estimated useful life of 15 years.

Intangible assets

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in the income statement in the year in which the expenditure is incurred. The useful lives of assets are assessed to be either finite or infinite.

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end and for the current year are as follows:

Know how - 4 years

Change in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. Gains or losses arising from the derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the income statement where the asset is derecognised.

Tangible fixed assets

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

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the 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.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

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.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

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.

3. TURNOVER

The turnover and loss (2020 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market for the year ended 31 December 2020 is given below:

| | £ |
|-------------------|-------------------|
| United Kingdom | 15,040,595 |
| Outside of the UK | 536,790 |
| | <u>15,577,385</u> |

This analysis is not considered to be applicable to the year ended 31 December 2021.

4. EMPLOYEES AND DIRECTORS

| | 2021 £ | 2020 £ |
|-----------------------|---------------|------------------|
| Wages and salaries | 81,744 | 2,181,120 |
| Social security costs | - | 348,303 |
| Other pension costs | - | 101,811 |
| | <u>81,744</u> | <u>2,631,234</u> |

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

| | 2021 | 2020 |
|--------------------------|----------|-----------|
| Administrative | 1 | 3 |
| Production | - | 12 |
| Sales | - | 6 |
| Research and development | - | 4 |
| | <u>1</u> | <u>25</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 20214. **EMPLOYEES AND DIRECTORS - continued**

| | 2021 | 2020 |
|-------------------------|----------|----------|
| | £ | £ |
| Directors' remuneration | <u>-</u> | <u>-</u> |

5. **OPERATING (LOSS)/PROFIT**

The operating loss (2020 - operating profit) is stated after charging/(crediting):

| | 2021 | 2020 |
|--|----------|---------------|
| | £ | £ |
| Other operating leases | - | 117,283 |
| Depreciation - owned assets | - | 188,844 |
| Depreciation - assets on hire purchase contracts or finance leases | - | 24,247 |
| Profit on disposal of fixed assets | - | (12,008) |
| Auditors' remuneration | 18,855 | 33,963 |
| Foreign exchange differences | <u>-</u> | <u>35,144</u> |

6. **EXCEPTIONAL ITEMS**

| | 2021 | 2020 |
|-------------------------|----------|------------------|
| | £ | £ |
| Onerous lease provision | <u>-</u> | <u>(256,044)</u> |

7. **INTEREST PAYABLE AND SIMILAR EXPENSES**

| | 2021 | 2020 |
|------------------------|--------------|--------------|
| | £ | £ |
| Other interest payable | 1,449 | - |
| Hire purchase | <u>-</u> | <u>3,921</u> |
| | <u>1,449</u> | <u>3,921</u> |

8. **TAXATION****Analysis of the tax charge**

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

| | 2021 | 2020 |
|--------------------------------|----------|----------------|
| | £ | £ |
| Current tax: | | |
| UK corporation tax | - | 265,454 |
| Corporation tax adj prior year | <u>-</u> | <u>79,780</u> |
| Tax on (loss)/profit | <u>-</u> | <u>345,234</u> |

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

8. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

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

| | 2021 £ | 2020 £ |
|--|------------------|------------------|
| (Loss)/profit before tax | <u>(184,175)</u> | <u>2,334,017</u> |
| (Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%) | (34,993) | 443,463 |
| Effects of: | | |
| Expenses not deductible for tax purposes | - | (15,621) |
| Income not taxable for tax purposes | - | (95,000) |
| Capital allowances in excess of depreciation | - | (67,388) |
| Adjustments to tax charge in respect of previous periods | - | 79,780 |
| Group relief | 34,993 | - |
| Total tax charge | <u>-</u> | <u>345,234</u> |

9. DIVIDENDS

| | 2021 £ | 2020 £ |
|--------------------------------|----------------|------------------|
| 'A' Ordinary shares of £1 each | | |
| Final | <u>750,000</u> | <u>2,500,000</u> |

10. INTANGIBLE FIXED ASSETS

| | Goodwill £ |
|-----------------------|------------------|
| COST | |
| At 1 January 2021 | |
| and 31 December 2021 | <u>1,695,862</u> |
| AMORTISATION | |
| At 1 January 2021 | |
| and 31 December 2021 | <u>1,695,862</u> |
| NET BOOK VALUE | |
| At 31 December 2021 | - |
| At 31 December 2020 | - |

Goodwill arose on the acquisition of the trades of Parex Limited (now EIFS Limited) and Easipoint Marketing Limited. The business is run as a single cash generating unit. In the opinion of the Directors this goodwill should be written down to nil.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

11. **FIXED ASSET INVESTMENTS**

| | Shares in group undertakings £ |
|---|---|
| COST | |
| At 1 January 2021 | 6,424,881 |
| Additions | 210,019 |
| At 31 December 2021 | <u>6,634,900</u> |
| PROVISIONS | |
| At 1 January 2021 and 31 December 2021 | <u>4,204,430</u> |
| NET BOOK VALUE | |
| At 31 December 2021 | <u>2,430,470</u> |
| At 31 December 2020 | <u>2,220,451</u> |

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

Enevis Group Limited

Registered office: England & Wales
Nature of business: Property business

| | % holding |
|------------------|--------------|
| Class of shares: | |
| Ordinary | 100.00 |

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

| | 2021 £ | 2020 £ |
|------------------------------------|------------------|------------------|
| Trade debtors | - | 31,243 |
| Amounts owed by group undertakings | 7,957,386 | 8,754,868 |
| VAT | 33,017 | 313,062 |
| | <u>7,990,403</u> | <u>9,099,173</u> |

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

| | 2021 £ | 2020 £ |
|------------------------------|----------------|------------------|
| Tax | 67,103 | 241,359 |
| Other creditors | - | 10,781 |
| Accruals and deferred income | 380,000 | 792,787 |
| | <u>447,103</u> | <u>1,044,927</u> |

14. **CALLED UP SHARE CAPITAL**

| Allotted, issued and fully paid: Number: | Class: | Nominal value: | 2021 £ | 2020 £ |
|---|--------------|-------------------|----------------|----------------|
| 300,000 | 'A' Ordinary | £1 | 300,000 | 300,000 |
| 75,000 | 'B' Ordinary | 25p | 18,750 | 18,750 |
| | | | <u>318,750</u> | <u>318,750</u> |

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

15. RESERVES

| | Retained earnings £ | Share premium £ | Totals £ |
|----------------------|---------------------------|-----------------------|------------------|
| At 1 January 2021 | 10,601,549 | 26,250 | 10,627,799 |
| Deficit for the year | (184,175) | | (184,175) |
| Dividends | (750,000) | | (750,000) |
| At 31 December 2021 | <u>9,667,374</u> | <u>26,250</u> | <u>9,693,624</u> |

16. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension charge amounted to £0 (2020 - £101,811). Outstanding contributions amounting to £0 (2020 - £0) were payable to the fund and are included in other creditors.

17. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY

In the opinion of the Directors, the Company's ultimate parent undertaking and controlling party is Sika AG, a Company incorporated in Switzerland. The Company's immediate parent undertaking is Dry Mix Solutions UK Limited, a Company incorporated in UK. Copies of the group accounts are available from Zugerstrasse 50, CH-6341 Baar, Switzerland

18. POST BALANCE SHEET EVENTS

On 15 June 2022 the Company passed a special resolution to reduce its share capital to £1.25 by cancelling and extinguishing all but one of each of the issued 'A' Ordinary shares and 'B' Ordinary shares in the Company and that the amount by which the issued share capital was so reduced was credited to a reserve. The Company's share premium account was, at the same time, cancelled and credited to a reserve.

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.