

**Strategic Report, Report of the Directors and  
Financial Statements  
For The Year Ended 31 December 2021  
for  
Colors & Effects UK Ltd**

**Contents of the Financial Statements  
For The Year Ended 31 December 2021**

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**Company Information**  
**For The Year Ended 31 December 2021**

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**DIRECTORS:**

M Breitenfelder  
J Mulholland  
P M Saunders

**REGISTERED OFFICE:**

3 High View Road  
South Normanton  
Derbyshire  
DE55 2DT

**REGISTERED NUMBER:**

11082095 (England and Wales)

**AUDITORS:**

Gless Wallis Crisp LLP  
Registered Auditor  
10-12 Mulberry Green  
Old Harlow  
Essex  
CM17 0ET

## Strategic Report For The Year Ended 31 December 2021

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

### Principal activity

The principal activity of the company is the sale of pigments.

### REVIEW OF BUSINESS

Colors & Effects UK Ltd operates within the pigments division of the DIC Group serving the UK market.

Below are the Company's financial key performance indicators sales and gross margin.

Turnover for the year was £18,088,000 (2020: £17,046,000) with a gross profit margin of 6.2% (2020: 8.8%) and EBIT of £415,000 (2.3%) (2020: £879,000 (5.2%)). Turnover was impacted by the Covid-19 pandemic in the middle part of 2020 but the lower sales during this period were compensated for by a strong sales performance in the final four months of the year 2020. Sales have returned to pre Covid-19 sales. As a result sales performance were up 6.1% on the prior year.

For non-financial KPIs the Company considers LTAR (Lost Time Accident Rate) as a key indicator relating to our delivery performance. These are quoted below:

### 2021 2020

LTAR 0.00 0.00

### RISKS AND UNCERTAINTIES

The principal risks and uncertainties of the company are integrated with those of the DIC Group and are not managed separately.

### Outlook for 2022

The directors intend to liquidate the company once the trade has passed to another entity within the group, Sun Chemical Limited (this is intended to materialise within 12 months of this report), see Note 3 in the financial statements.

### Russia / Ukraine Crisis

Following the invasion of Ukraine by Russian forces in March 2022, we have carried out a thorough review of the Company's exposure caused by those events. Colors & Effects UK Limited's have no sales or receivables to customers in Russia / Ukraine. We have no direct purchases from Russia / Ukraine and continue to evaluate the impact that the events are having on global commodity based raw materials and energy.

### Brexit

Whilst the impact of the Government's decision to leave the EU has not significantly impacted sales, it has increased our cost of sales due to increased customs duty and clearance costs. We will look to recover the increased costs of customs duty and clearance from our customer base where appropriate.

### COVID-19

The impact from Covid-19 on the results and trading for 2021 has been minimal.

### Employees

Our employees are critical to the success of our business, and we strive for good communication with them through both segmental and group-wide publications and an intranet in order to foster content, engaged & productive personnel.

### Customers

The upcoming sale of the company has required us to engage closely with our customers and is considered to be beneficial to our customers as the company will benefit from joining the DIC group of companies as it is a good strategic fit with that group's core business. We will continue to engage with our customers in 2022 to ensure a smooth and successful transition without disruption to supplies.

### Shareholder

Engagement with our shareholder is of fundamental importance across the business and the directors are focused on building this relationship on a continuous basis. The directors behave responsibly towards the shareholder and treat the shareholder fairly and equally.

**Strategic Report  
For The Year Ended 31 December 2021**

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**ON BEHALF OF THE BOARD:**

J Mulholland - Director

28 September 2022

**Report of the Directors  
For The Year Ended 31 December 2021**

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

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2021.

**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 Breitenfelder  
J Mulholland

Other changes in directors holding office are as follows:

P M Saunders - appointed 30 June 2021  
T Urwin - resigned 30 June 2021

**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, Giess Wallis Crisp LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

J Mulholland - Director

28 September 2022

### **Opinion**

We have audited the financial statements of Colors & Effects UK Ltd (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 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 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**

This section is not required as a basis other than going concern has been used and has been replaced by an emphasis of matter paragraph below.

### **Emphasis of matter**

We draw attention to Note 3 to the financial statements which explains that the directors intend to liquidate the company following the passing of the trade to another entity within the group and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern as described in Note 3. Our opinion is not modified in respect of this matter.

### **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 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 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:

Based on our understanding of the the company and the industry in which they operate, we identified the significant laws and regulations in relation to this company as being: financial reporting legislation (including Companies Act 2006) and taxation legislation (including corporation tax act 2010), and we considered the extent to which non-compliance might have a material effect on the financial statements. These laws and regulations could have a direct impact on the financial statements. As part of the planning process we evaluated the management's incentives and opportunities for fraudulent manipulation of the financial statements and concluded that the principal risk is related to the possible override of controls by management. The results of the above assessment were communicated to the engagement team during the engagement team briefing prior to the commencement of the audit field work.

Audit procedures performed in response to the potential risks relating to irregularities, fraud and non-compliance with laws and regulations comprised of:

- Enquiries of management and those charged with governance.
- Testing the appropriateness of entries in the nominal ledger, including journal entries.
- Review and testing of transactions either side of the end of the reporting period.
- Analytical review of the financial statements at both planning and completion stage to identify any anomalies or unexpected movements in account balances which may be indicative of fraud.
- Inspection and examination of legal invoices and correspondence.

The results of the above audit procedures were that no instances of non-compliance with laws and regulations were identified and no instances of material fraud were identified.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. There is therefore an unavoidable risk that material misstatements may not be detected, even though the audit has been planned and performed in accordance with ISA's (UK).

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.



**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.

Laurence Miles FCA (Senior Statutory Auditor)  
for and on behalf of Giess Wallis Crisp LLP  
Registered Auditor  
10-12 Mulberry Green  
Old Harlow  
Essex  
CM17 0ET

28 September 2022

**Statement of Comprehensive Income**  
**For The Year Ended 31 December 2021**

		2021		2020	
	Notes	£'000	£'000	£'000	£'000
<b>TURNOVER</b>	4		<b>18,088</b>		<b>17,046</b>
Cost of sales			<b>16,969</b>		<b>15,551</b>
<b>GROSS PROFIT</b>			<b>1,119</b>		<b>1,495</b>
Distribution costs		<b>644</b>		566	
Administrative expenses		<b>59</b>		50	
			<b>703</b>		<b>616</b>
<b>OPERATING PROFIT</b>	6		<b>416</b>		<b>879</b>
Interest payable and similar expenses	7		<b>54</b>		<b>(30)</b>
<b>PROFIT BEFORE TAXATION</b>			<b>362</b>		<b>909</b>
Tax on profit	8		<b>69</b>		<b>172</b>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<b>293</b>		<b>737</b>
<b>OTHER COMPREHENSIVE INCOME</b>			<b>-</b>		<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<b>293</b>		<b>737</b>

The notes form part of these financial statements

**Statement of Financial Position**  
**31 December 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>CURRENT ASSETS</b>			
Stocks	9	<b>109</b>	265
Debtors	10	<b>4,545</b>	7,964
Cash at bank		<b>708</b>	-
		<b>5,362</b>	8,229
<b>CREDITORS</b>			
Amounts falling due within one year	11	<b>3,185</b>	6,345
<b>NET CURRENT ASSETS</b>		<b>2,177</b>	1,884
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>2,177</b>	1,884
<b>CAPITAL AND RESERVES</b>			
Called up share capital	13	<b>500</b>	500
Retained earnings		<b>1,677</b>	1,384
<b>SHAREHOLDERS' FUNDS</b>		<b>2,177</b>	1,884

The financial statements were approved by the Board of Directors and authorised for issue on 28 September 2022 and were signed on its behalf by:

J Mulholland - Director

**Statement of Changes in Equity**  
**For The Year Ended 31 December 2021**

	<b>Called up share capital £'000</b>	<b>Retained earnings £'000</b>	<b>Total equity £'000</b>
<b>Balance at 1 January 2020</b>	500	647	1,147
<b>Changes in equity</b>			
Total comprehensive income	-	737	737
<b>Balance at 31 December 2020</b>	500	1,384	1,884
<b>Changes in equity</b>			
Total comprehensive income	-	293	293
<b>Balance at 31 December 2021</b>	500	1,677	2,177

The notes form part of these financial statements

**Statement of Cash Flows**  
**For The Year Ended 31 December 2021**

		<b>2021</b>	<b>2020</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	797	336
Interest paid		(13)	(12)
Finance costs paid		(41)	42
Tax paid		(35)	(366)
Net cash from operating activities		<u>708</u>	<u>-</u>
<b>Increase in cash and cash equivalents</b>		<u>708</u>	<u>-</u>
<b>Cash and cash equivalents at beginning of year</b>	2	-	-
<b>Cash and cash equivalents at end of year</b>	2	<u>708</u>	<u>-</u>

The notes form part of these financial statements

**Notes to the Statement of Cash Flows**  
**For The Year Ended 31 December 2021**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Profit before taxation	362	909
Finance costs	54	(30)
	<u>416</u>	<u>879</u>
Decrease in stocks	156	136
Decrease/(increase) in trade and other debtors	3,385	(1,817)
(Decrease)/increase in trade and other creditors	(3,160)	1,138
<b>Cash generated from operations</b>	<u><b>797</b></u>	<u><b>336</b></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2021**

	<b>31/12/21</b>	<b>1/1/21</b>
	<b>£'000</b>	<b>£'000</b>
Cash and cash equivalents	<u>708</u>	<u>-</u>

**Year ended 31 December 2020**

<b>31/12/20</b>	<b>1/1/20</b>
<b>£'000</b>	<b>£'000</b>

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

	<b>At 1/1/21</b>	<b>Cash flow</b>	<b>At 31/12/21</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Net cash</b>			
Cash at bank	<u>-</u>	<u>708</u>	<u>708</u>
	<u>-</u>	<u>708</u>	<u>708</u>
<b>Total</b>	<u><b>-</b></u>	<u><b>708</b></u>	<u><b>708</b></u>

**Notes to the Financial Statements  
For The Year Ended 31 December 2021**

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**1. STATUTORY INFORMATION**

Colors & Effects UK 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.

The presentation currency of the financial statements is the Pound Sterling (£).

All amounts presented within the Financial Statements have been rounded to the nearest £1,000.

**2. STATEMENT OF COMPLIANCE**

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.

**3. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

Refer to "going concern" policy below for further detail regarding the basis of preparation.

**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.

**Significant judgements and estimates**

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

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

There are no estimates and assumptions which have had a significant risk of causing a material adjustment to the carrying amount of assets and liabilities

**Going concern**

The directors intend to liquidate the company once the trade has passed to another entity within the group (this is intended to materialise within 12 months of this report) and therefore do not consider it to be appropriate to adopt the going concern basis of accounting in preparing the financial statements. Accordingly the financial statements have been prepared on a basis other than going concern. This includes:

- Writing down assets to their recoverable amounts;
- Recognising provisions for contractual commitments that have become onerous at the balance sheet date as a result of the entity no longer being a going concern;
- Reclassifying creditors falling due after one year as creditors falling due within one year where the entity no longer has an unconditional right to defer settlement for at least twelve months after the period end.

The application of a basis other than going concern has had no material impact on the presentation, valuation or classification of the figures represented in the Statement of Comprehensive Income or the Statement of Financial Position.

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

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**3. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities. Turnover is shown net of sales/ value added tax, returns, rebates and discounts.

The Company recognises turnover when:

The amount can be reliably measured;

It is probable that future economic benefits will flow to the entity;

and, specific criteria have been met for each of the Companies activities.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using a standard costing methodology.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in the income statement.

**Financial instruments**

The company has elected to apply the provisions of Section 11: 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments

The company only enters into basic financial instruments that result in the recognition of financial assets and liabilities such as trade debtors and creditors.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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 the asset and settle the liability simultaneously.

**Debtors**

Short terms debtors are measured at transaction price, less any impairment.

**Cash and cash equivalents**

Cash is represented by current accounts, 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.

**Creditors**

Short term creditors are measured at the transaction price.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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 statement of financial position date.



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

**3. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position 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 statement of financial position 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.

**Hire purchase and leasing commitments**

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.

**4. TURNOVER**

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

An analysis of turnover by class of business is given below:

	2021	2020
	£'000	£'000
Sale of goods	18,088	17,046
	<u>18,088</u>	<u>17,046</u>

An analysis of turnover and profits between geographical markets has not been given because, in the opinion of the directors, this disclosure would be seriously prejudicial to the company.

**5. EMPLOYEES AND DIRECTORS**

	2021	2020
	£'000	£'000
Wages and salaries	305	479
Social security costs	30	36
Other pension costs	89	59
	<u>424</u>	<u>574</u>

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

	2021	2020
Sales	<u>4</u>	<u>4</u>

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

**5. EMPLOYEES AND DIRECTORS - continued**

	2021	2020
	£	£
Directors' remuneration	75,624	188,000
Directors' pension contributions to money purchase schemes	<u>25,582</u>	<u>67,000</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>2</u>
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**6. OPERATING PROFIT**

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

	2021	2020
	£'000	£'000
Other operating leases	11	-
Auditors remuneration	25	25
Interest payable to group	12	12
Exchange (gains)/ losses	<u>41</u>	<u>(42)</u>

**7. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2021	2020
	£'000	£'000
Interest payable to group undertakings	12	12
Non-deductible penalties	1	-
Exchange (gains)/ losses	<u>41</u>	<u>(42)</u>
	<u>54</u>	<u>(30)</u>

**8. TAXATION**

**Analysis of the tax charge**

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

	2021	2020
	£'000	£'000
Current tax:		
UK corporation tax	69	172
Tax on profit	<u>69</u>	<u>172</u>

UK corporation tax has been charged at 19% .

**9. STOCKS**

	2021	2020
	£'000	£'000
Stocks	<u>109</u>	<u>265</u>

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

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade debtors	3,707	4,213
Other debtors	-	9
Amounts due from group company	829	3,702
Corporation tax recoverable	6	40
Prepayments	3	-
	<b><u>4,545</u></b>	<b><u>7,964</u></b>

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

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	1	-
Social security and other taxes	14	11
VAT	461	1,212
Amounts due to group companies	2,634	5,004
Accrued expenses	75	77
Deferred income	-	41
	<b><u>3,185</u></b>	<b><u>6,345</u></b>

**12. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	<b>2021</b>	<b>2020</b>
	<b>£'000</b>	<b>£'000</b>
Within one year	<b><u>20</u></b>	<b><u>-</u></b>

The current year expense was £1,651 (2020: NIL)

**13. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			<b>2021</b>	<b>2020</b>
Number:	Class:	Nominal value:	<b>£'000</b>	<b>£'000</b>
500,000	Ordinary	£1	<b><u>500</u></b>	<b><u>500</u></b>

**14. PARENT AND ULTIMATE PARENT UNDERTAKING**

The Company's immediate parent is Sun Chemical Group Cooperatif U.A., a Company registered in the Netherlands.

The ultimate parent undertaking and the controlling undertaking of the largest group for which group financial statements are drawn up is DIC Corporation, a Company incorporated in Japan.

The consolidated financial statements of Dainippon Ink and Chemicals Inc. are available to the public and may be obtained from its registered office DIC (Japan) Inc., DIC Building, 7-20 Nihonbashi, 3-Chome, Chuo-Ku, Tokyo 103, Japan.

The ultimate controlling party is DIC Corporation.

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.