

Registered No. 04148785

Calderys NGJ Limited (formerly N.G. Johnson (Northern) Limited)

Annual Report and Financial Statements

31 December 2020



Directors

Aurelian Cadars

Paul Welsh (appointed on 29th June 2021)

Gordon Wilkinson (resigned on 29th June 2021)

Secretary

Simon Thahair-Davies (Appointed on 8th April 2021)

Auditor

Constantin

25 Hosier Lane

London

EC1A 9LQ

Bankers

Barclays

The Gatwick Group

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Strategic Report for the year ended 31 December 2020

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

Review of the business

Calderys NGJ Limited ("the company") sales were higher in 2020, but underlying profitability is still a challenge due to increased selling and distribution costs and exchange rate fluctuation.

The general business environment in the UK remained fragile, with uncertainty in the iron and steel sector, but relative stability in the Foundry markets.

In general the thermal industries sector saw increased activity, particularly in the incineration sector, whilst the petro-chemical sector also remained stable. Group and local initiatives are ongoing to consolidate business into these markets.

On the 1st January 2020 NG Johnson was renamed Calderys NGJ Ltd. NG Johnson took on the assets and liabilities of Calderys UK based on net book value. The share purchase of Calderys NGJ Ltd shares by Imerys UK Ltd was completed in June 2021.

The company lost £2.9m before tax on normal trading activities.

Key Performance Indicators

The key performance indicators for the company are turnover, which increased from £8,019,510 to £13,272,016 mainly due to the transfer of assets. Gross profit, which increased from £1,548,224 to £2,629,984. Operating profit decreased from £263,412 profit to £2,869,080 loss due to increased selling and distribution costs and foreign exchanges. Net current assets decreased from £1,352,195 to £1,715,529 as a result of the loss in the year and the transfer of assets.

Principal risks and uncertainties

The principal risks and uncertainties facing the company are considered to be exposure to competitive risk, credit risk and liquidity risk.

Competitive risk

Competitive risk is seen by the company as the principal risk it faces, due to the fact that the company services one principal industry with few key customers with a number of suppliers competing to win business. The company is actively working on market diversification to expand the business in all areas of heat treatment industries and limit exposure to competitive risk.

Financial risk management objectives and policies

The company's activities expose it to a number of financial risks including credit risk and liquidity risk.

Cash flow risk

The Group's activities expose it primarily to the financial risks of changes in foreign currency exchange rates. The company does not use forward foreign currency contracts to manage the currency risk arising from the company's operations.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company policies are aimed at minimising such losses, and require that deferred terms are only granted to customers who demonstrate an appropriate payment history and satisfy creditworthiness procedures.

Strategic Report for the year ended 31 December 2020 (continued)

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The company aims to mitigate liquidity risk by managing cash generation and applying cash collection targets. The company participates in cash pooling arrangements with fellow group entities whereby funds are cleared into a central account. Borrowing requirements are met through drawing funds through this pooling facility.

Brexit

The Company continues to focus and prepare for Brexit and have implemented a number of actions to reduce the risks faced. These include ensuring the company has the correct EORI Number to allow us to continue to trade with the EU, Fiscal representatives in certain European countries to assist with VAT requirements and have tightened up controls in order to be credited with Authorised Economic Operator Status which brings a number of benefits including:

- Fast track through customs controls
- Lower risk score, which significantly reduces the frequency of physical and documentary checks at the border
- Improved security, with a reduced occurrence of theft or loss in transit
- Demonstrates a high level of competence with the authorities
- Access to simplified customs procedures

Covid

COVID-19 is a new illness that has spread globally to the extent that it is now classified as a Public Health Emergency of International Concern by the World Health Organisation. There is an elevated concern globally about the impact that COVID-19 crisis will have on the global economy and the thermal industries industry. However as noted above due to the restructure of the group these financial statements are prepared on a basis other than a going concern.

Approved by the board of directors and signed on its behalf

Paul Welsh



Director

Date 3rd May 2022

Units H3 & H4 Gildersome Spur, Leeds LS27 7JZ

Directors' Report for the year ended 31 December 2020

The directors present their annual report on the affairs of the Group, together with the financial statements and auditor's report, for the year ended 31 December 2020.

The directors who served the throughout the year and subsequently, except as noted were as follows:

A P M Cadars

G Wilkinson

Principal activities

The principal activities of the company during the year was that of construction and repair of furnaces alongside the sale and distribution of refractory heat resistant products, services and solutions.

Results and dividends

2020 sales were up on 2019 levels, with higher external sales and reduced inter-company sales.

The loss for the year after taxation amounted to £2,784,619 (2019: £209,388 profit). No dividend will be distributed for the year ended 31 December 2020.

Future developments, principal risks and uncertainties and financial risk management

See Strategic report on pages 2 and 3.

Going concern

As explained in Note 1, The company transferred the assets of Calderys UK Ltd into Calderys NGJ Ltd The financial statements have been prepared on a going concern basis. The transfer resulted in the company taking on assets totalling £2.2m. Due to the company's performance a letter of support is provided by Imerys UK Ltd.

Disclosure of information to the auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

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

Subsequent events

In June 2021 the shares of Calderys NGJ Ltd were purchased by Imerys UK ltd from Calderys UK Ltd for £5.2m. Calderys UK was liquidated in March 2022. The parent company has changed as a result to Imerys UK Ltd

Auditor

Constantin have expressed their willingness to continue in office as auditor and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board and signed on behalf of:



Paul Welsh

Director

Date 2nd May 2022

Directors' responsibilities statement

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law 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) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland." 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Independent auditor's report to the members of Calderys NGJ Limited

Report on the audit of the financial statements

Opinion

In our opinion the financial statements of Calderys NGJ Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account;
- the balance sheet;
- the statement of changes in equity;
- the statement of accounting policies; and
- the related notes 1 to 16.

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).

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 auditor's 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 Financial Reporting Council's (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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALDERYS NGJ LIMITED (continued)

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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

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

We considered the nature of the company's industry and its control environment, and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALDERYS NGJ LIMITED (continued)

We obtained an understanding of the legal and regulatory framework[s] that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, tax legislation; and
- 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 a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Report on other legal and regulatory requirements

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.

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CALDERYS NGJ LIMITED
(continued)**

We have nothing to report in respect of these matters.

Use of our report

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



Thierry de Gennes, ACA (Senior statutory auditor)

For and on behalf of Constantin

Statutory Auditor

25 Hosier Lane

London

EC1A9LQ

3 May 2022

Profit and loss account

for the year ended 31 December 2020

	Notes	2020 £	2019 £
Turnover	3	13,272,016	8,227,411
Cost of sales		<u>(10,642,031)</u>	<u>(6,679,187)</u>
Gross profit		2,629,985	1,548,224
Selling and distribution costs		(4,136,264)	-
Administrative expenses		(1,362,801)	(1,290,812)
Other operating income		-	6,000
Operating Profit/(Loss)	4	<u>(2,869,080)</u>	<u>263,412</u>
Interest Recievable and similar income		-	104
Net interest payable			
Profit/(Loss) before taxation		<u>(2,869,080)</u>	<u>263,516</u>
Tax on Profit/(Loss)	6	<u>84,461</u>	<u>(54,128)</u>
Profit/(Loss) for the financial year		<u>(2,784,619)</u>	<u>209,388</u>

There is no other comprehensive income or losses other than the loss attributable to the shareholders of the company of £2,784,619 in the year ended 31 December 2020 (2019: profit £209,388). Accordingly, no statement of comprehensive income is presented.

The accompanying notes are an integral part of this profit and loss account.

Balance sheet

at 31 December 2020

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	7	381,688	157,341
		<u>381,688</u>	<u>157,341</u>
Current assets			
Stocks	8	835,420	568,821
Debtors	9	3,907,194	1,048,677
Cash at bank and in hand		<u>2,445,746</u>	<u>990,266</u>
		7,188,360	2,607,764
Creditors: amounts falling due within one year	10	<u>(8,903,889)</u>	<u>(1,255,569)</u>
Total assets less current liabilities		(1,333,841)	1,509,536
Non Current Asset		32,854	-
Provision for liabilities			(25,546)
Net Assets/(liabilities)		<u>(1,300,987)</u>	<u>1,483,990</u>
Capital and reserves			
Called-up share capital	11	130	130
Share premium account		-	-
Profit and loss account		<u>(1,301,117)</u>	<u>1,483,860</u>
Shareholder's surplus/(deficit)		<u>(1,300,987)</u>	<u>1,483,990</u>

The financial statements for Calderys NGJ Limited (Company No.4148785) were approved and authorised for issue by the Board of Directors on 3rd May 2022 and were signed on its behalf by



Paul Welsh

Director

Date 3rd May 2022

The accompanying notes are an integral part of this balance sheet

Statement of changes in equity

at 31 December 2020

	<i>Called-up share capital £</i>	<i>Profit and loss account £</i>	<i>Total £</i>
At 1 January 2019	130	1,274,472	1,274,602
Total comprehensive Income	-	209,388	209,388
Balance at 31 December 2019	130	1,483,860	1,483,990
Changes in Equity			
Loss for the financial year	-	(2,784,619)	(2,784,619)
At 31 December 2020	130	(1,301,117)	(1,300,987)

Notes to the financial statements

at 31 December 2019

1. Accounting policies

Basis of preparation

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

Calderys NGJ Limited (the Company) is a private Company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is shown on page 1. The principal activities of the company during the year continue to be the sale and distribution of refractory heat resistant products, services and solutions.

The financial statements are prepared under the historical cost convention and in accordance with applicable UK accounting standards, and in compliance with FRS 102.

Calderys NGJ Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Calderys NGJ Limited is consolidated in the financial statements of its parent, Imerys SA, which may be obtained from the address in note 17. The functional currency of the company is GBP. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

Group financial statements

In accordance with section 400 of the Companies Act 2006 the company is exempt from the obligation to prepare and deliver group financial statements. These financial statements therefore present information about the company as an individual undertaking and not about its group.

Going concern

The Company transferred the net assets of Calderys UK Ltd on the 1st January 2020. Due to the company's performance a letter of support is provided by Imerys UK Ltd.

Turnover

Turnover represents amounts receivable for goods provided in the UK and overseas net of trade discounts, VAT and other related taxes. Turnover is recognised at the point of despatch.

Notes to the financial statements

As at December 2020

1. Accounting policies (continued)

Tangible fixed assets

All fixed assets are stated at cost less accumulated depreciation. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition of each asset evenly over its expected useful life, as follows:

Leasehold improvements	–	over the term of the lease
Leasehold buildings	–	over the term of the lease
Plant and machinery	–	10% per annum
Fixtures, fittings and office equipment	–	10% per annum

The carrying values of tangible fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Investments

Investments are stated at cost less provision for impairment.

The carrying values of investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Stocks

Stocks are stated at the lower of cost and net realisable value. Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal. Stock is used on a first in first out basis.

Provisions for liabilities

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of benefits will be required to settle the obligation.

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exceptions:

- Provision is made for tax on gains arising from the revaluation (and similar fair value adjustments) of fixed assets, or gains on disposal of fixed assets that have been rolled over into replacement assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only where the replacement assets are sold.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements

As at December 2020

1. Accounting policies (continued)

Taxation (continued)

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Operating lease commitments

Rentals payable under operating leases are charged in the profit and loss account on a straight-line basis over the lease term.

Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities are classified according to the substance of the contractual arrangements entered into.

(i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- (a) The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- (b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- (c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).
- (d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

Notes to the financial statements

As at December 2020

1. Accounting policies (continued)

Financial Instruments (continued)

- (e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.
- (f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

2. Critical accounting judgements and key sources of estimation uncertainty

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

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

Critical judgements in applying the Company's accounting policies

In the opinion of the directors there are no critical accounting judgements made in applying the Company's accounting policies that require disclosure in the financial statements.

Key source of estimation uncertainty

Provision for doubtful debts

The financial Statements contain estimated figures that are based on assumptions made by the Company about the future or that are otherwise uncertain. These include useful lives, valuations and bad debt provisions. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty actual results could be different from the assumptions and estimates.

Notes to the financial statements

As at December 2020

3. Turnover

Turnover, which is stated net of value added tax, represents amounts invoiced to third parties and is attributable to one continuing activity and class of business, as stated in the directors' report.

	2020	2019
	£	£
Revenue from sale of goods	13,272,016	8,227,411

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
United Kingdom	12,181,734	7,471,956
Rest of the world	1,090,282	755,455
	<u>13,272,016</u>	<u>8,227,411</u>

4. Operating Loss

This is stated after charging:

	2020	2019
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts:		
For the Audit:	24,000	7,000
For the services other than audit:	5,000	40,937
Depreciation of owned fixed assets	70,892	34,628
Profit on disposal of fixed assets	0	(1,000)
Operating lease rentals – plant and machinery	74,983	
– land and buildings	229,790	119,021
Cost of stock recognised as an expense		
Impact of foreign exchange	1,172,085	12,003
Exceptional Items	<u>0</u>	<u>149,900</u>

Notes to the financial statements

As at December 2020

5. Employees and Directors

	2020	2019
	£	£
Wages and salaries	4,248,534	3,346,342
Social security costs	548,740	324,948
Pension costs	138,164	44,873
	<u>4,935,438</u>	<u>3,716,163</u>

The average monthly number of employees (including Directors) during the year was made up as follows:

	No.	No.
Contracting	5	
Sales and distribution	15	
Administrative	11	7
Production	59	65
Directors	1	2
	<u>91</u>	<u>74</u>

	2020	2019
	£	£
Directors remuneration	89,576	88,499

During the year the company received the following related to Furlough payments:

	2020	2019
	£	£
Furlough Payments	40,618	

Notes to the financial statements

As at December 2020

6. Tax

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

The tax credit comprises:

	2020 £	2019 £
Current tax on loss on ordinary activities		
UK Corporation tax	(39,218)	40,711
Total current tax	<u>(39,218)</u>	<u>40,711</u>
Deferred tax		
Adjustments in respect of prior years	(22,843)	-
Origination and reversal of timing differences	(22,400)	13,417
Total deferred tax	<u>(45,243)</u>	<u>13,417</u>
Total tax on charge/(credit) on ordinary activities	<u>(84,461)</u>	<u>54,128</u>

- (a) The standard rate of tax applied to reported loss on ordinary activities is 19 per cent (2019: 19 per cent).

The differences between the total tax credit shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2020 £	2019 £
Profit/(Loss) on ordinary activities before tax	<u>(2,869,080)</u>	<u>263,516</u>
Tax on loss on ordinary activities at standard UK corporation tax rate of 19 per cent (2019: 19 per cent)	(545,125)	50,068
Effects of:		
Fixed Asset Differences	(12,837)	
Other Tax adjustment	(30,554)	
Prior year adjustment – Corporation Tax	(39,218)	
Prior year adjustment – Deferred Tax	(22,843)	
Remeasurement of Deferred tax	318	
Movement in Deferred tax not recognised	561,546	
- Expenses not deductible for tax purposes	4,252	4,060
Total tax charge/(credit) for period	<u>(84,461)</u>	<u>54,128</u>

Notes to the financial statements

As at December 2020

6. Tax (continued)

Deferred tax

The deferred tax included in the balance sheet is as follows:

Deferred tax comprises of:

	2020 £	2019 £
Accelerated capital allowances	(9,012)	25,546
Other short term timing differences	(10,685)	
Deferred tax asset	<u>(19,697)</u>	<u>25,546</u>
		£
At 1 January 2020		25,546
Deferred tax credit in profit and loss account		<u>(45,243)</u>
At 31 December 2020		<u>(19,697)</u>

Factors that may affect future tax charges

The UK corporation tax rate was previously enacted to reduce to 17% from 1 April 2020. However, Finance Act 2020, which was substantively enacted on 11 March 2020, repealed this rate reduction and the corporation tax rate will remain at 19% from 1 April 2020.

The closing deferred tax assets and liabilities have been calculated at 19%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

Finance Act 2021 received Royal Assent on 10 June 2021 which has enacted an increase in the UK corporation tax rate to 25% from 1 April 2023. Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods subject to this increased rate but as this had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements.

Notes to the financial statements

As at December 2020

7. Tangible fixed assets

	<i>Leasehold Buildings</i> £	<i>Plant and Machinery</i> £	<i>Fixtures, fitting, and office equipment</i> £	<i>Motor Vehicles</i> £	<i>Total</i> £
Cost:					
At 1 January 2020	26,465	331,654	80,674	60,484	499,277
On hive up of Subsidiaries	57,648	24,685	36,750	-	119,083
Additions	5,650	200,704	54,103	-	260,457
Disposals	-	-	-	-	-
At 31 December 2020	<u>89,763</u>	<u>557,043</u>	<u>171,527</u>	<u>60,484</u>	<u>878,817</u>
Depreciation:					
At 1 January 2020	10,832	208,677	61,943	60,484	341,936
On hive up of Subsidiaries	26,887	17,293	36,334	-	80,514
Charged in the year	9,510	26,449	38,719	-	74,678
At 31 December 2020	<u>47,229</u>	<u>252,419</u>	<u>136,996</u>	<u>60,484</u>	<u>497,128</u>
Net book value:					
At 31 December 2020	<u>42,534</u>	<u>304,624</u>	<u>34,531</u>	<u>-</u>	<u>381,689</u>
At 31 December 2019	<u>15,633</u>	<u>122,977</u>	<u>18,731</u>	<u>-</u>	<u>157,341</u>

Notes to the financial statements

As at December 2020

8. Stocks

	2020	2019
	£	£
Raw materials	672,540	31,345
Finished goods	162,880	537,476
	<u>835,420</u>	<u>568,821</u>

In the opinion of the directors, there is no material difference between the balance sheet value of stocks and their replacement cost.

9. Debtors

	2020	2019
	£	£
<i>Amounts due in one year:</i>		
Trade debtors	2,786,144	1,030,749
Amounts owed by group undertakings	1,047,664	-
Prepayments and accrued income	73,386	17,928
	<u>3,907,194</u>	<u>1,048,677</u>

Amounts owed by group undertakings are repayable on demand, have a nil interest rate and are measured at amortised cost of £1,047,664 (2019: Nil)

10. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	860,027	587,020
Amounts owed to group undertakings	6,954,512	212,089
Other taxation and social security costs	291,996	39,218
Other creditors	251,912	148,867
Accruals and deferred income	545,443	268,375
	<u>8,903,890</u>	<u>1,255,569</u>

Notes to the financial statements

As at December 2020

Amounts owed to group undertakings are repayable on demand, have a nil interest rate and are measured at amortised cost of £6,954,512 (2019: £212,089)

11. Called-up share capital

		2020		2019
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>£</i>	<i>No.</i>	<i>£</i>
Ordinary shares of £1 each	130	130	130	130

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments

12. Other financial commitments

At 31 December 2020 the company had total future minimum lease payments under non-cancellable operating leases as set out below:

	2020	2019
	<i>£</i>	<i>£</i>
Operating leases which expire:		
Within one year	283,832	121,627
In two to five years	477,467	486,507
In over five years	-	577,726
	<u>761,298</u>	<u>1,185,860</u>

13. Related party transactions

The company has taken advantage of the exemption available under FRS102 Section 33 not to disclose related party transactions with wholly owned Imerys group companies.

14. Ultimate parent undertaking and controlling party

In the opinion of the directors the ultimate parent company, and controlling party is Imerys SA, a company incorporated in France. The parent undertaking is the largest group, which includes the Company and for which group accounts are prepared. The parent undertaking of the smallest such group is Imerys UK Limited, a company incorporated in Great Britain, registered office Par Moor Centre, Par Moor Road, Par, Cornwall PL24 2SQ. Copies of the group financial statements of Imerys SA are available from 43 quai de

Notes to the financial statements

As at December 2020

Grenelle - 75015 Paris - France. Copies of the group financial statements of Imerys UK Limited are available from Companies House, Crown Way, Maindy, Cardiff CF14 3UZ.

15. Subsequent Events

There have been no subsequent events that occurred until the date of the issuance of the financial statements that would require adjustment to or disclosure in the financial statements as of the year ended 31 December 2020.

16. Financial Commitments

At 31 December 2020 the company has a bank guarantee of £300k in place of her Majesty's Revenue and Customs, in respect of Excise Duty Deferment.