
ORTHENE CHEMICALS LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

ORTHENE CHEMICALS LIMITED

COMPANY INFORMATION

Directors

C J Ker
R B Ker
S W Jay
D M Edwards
B H Remmington
L Ker (appointed 7 October 2020)

Registered number

01249728

Registered office

Brember Road
South Harrow Industrial Estate
Harrow
Middlesex
HA2 8UJ

ORTHENE CHEMICALS LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Introduction

The Directors present the Strategic Report for the year ended 31 March 2021.

Business review

Two over-riding events happened through this financial year. Firstly, the Covid pandemic, and secondly Brexit. The company has negotiated both of these factors successfully and whilst turnover was down, this was managed with various cost reductions enabling the Company to emerge in a healthy position.

The principal activities of the Company continue to be the supply and packaging of automotive brake fluids. After a period of cost cutting overheads were increased to facilitate business expansion to give the business the capability to expand. Although most of those cost rises will be incurred in the next years.

Principal risks and uncertainties

The principal risks to the company remain global supply shortages and sudden price increases in raw material. The turbulent logistics environment has also led to severe difficulties in not only fluid sourcing, but packaging materials, as well as distributing finished goods.

The company has incurred increased and additional risks after the UK left the EU. Though the company feels confident that the systems and procedures are in place to manage these risks and look forward to year-on-year growth.

Financial key performance indicators

The operating profit of £2,452,977 is 17% up on the prior year amount of £2,096,798.

Sales for the year have decreased by 6.7%

This report was approved by the board and signed on its behalf.

.....
C J Ker
Director

Date: 4 May 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The directors present their report and the financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 '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 for the Company's financial statements and then apply them consistently;
- make judgments 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £1,982,023 (2020 - £1,679,150).

Dividends of £2,141,169 (2020: £606,690) have been declared and paid in respect of the period.

Directors

The directors who served during the year were:

C J Ker
R B Ker
S W Jay
D M Edwards
B H Remington
L Ker (appointed 7 October 2020)

Future developments

The directors aim to maintain the management policies and quality systems which have resulted in the company's growth in recent years.

Significant development works have been undertaken to improve the facilities. This will enable the company to increase capacity, flexibility and efficiency, and will enable the company to achieve and manage their growth objectives.

ORTHENE CHEMICALS LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditor

The auditor, Hillier Hopkins LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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C J Ker
Director

Date: 4 May 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORTHENE CHEMICALS LIMITED

Opinion

We have audited the financial statements of Orthene Chemicals Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, 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 March 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 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 United Kingdom, including the Financial Reporting Council'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 ORTHENE CHEMICALS 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.

Opinion 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.

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 Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 Directors' Responsibilities Statement set out on page 2, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORTHENE CHEMICALS LIMITED (CONTINUED)

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.

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:

- the nature of the industry and sector, control environment and business performance including the remuneration incentives and pressures of key management;
- the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. We consider the results of our enquiries of management, about their own identification and assessment of the risks of irregularities;
- any matters we identified having obtained and reviewed the Company's documentation of their policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were 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 established 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.

As a result of these procedures, we considered the opportunities and incentives that may exist within the organisation for fraud and identified the greatest potential for fraud. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

We also obtained an understanding of the legal and regulatory frameworks that the Company operates in, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. We focused on laws and regulations that could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and relevant tax legislation.

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 rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

ORTHENE CHEMICALS LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ORTHENE CHEMICALS LIMITED (CONTINUED)

Auditor's Report.

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.

Alexander Bottom ACA (Senior Statutory Auditor)

for and on behalf of
Hillier Hopkins LLP

Chartered Accountants
Statutory Auditor

Radius House
51 Clarendon Road
Watford
Herts
WD17 1HP

4 May 2022

ORTHENE CHEMICALS LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021

	Note	2021 £	As restated 2020 £
Turnover	4	29,125,182	31,229,618
Cost of sales		(23,142,328)	(25,735,111)
Gross profit		5,982,854	5,494,507
Administrative expenses		(3,529,877)	(3,397,709)
Operating profit	5	2,452,977	2,096,798
Interest receivable and similar income	9	205	4,727
Interest payable and similar expenses	10	(11,327)	(11,744)
Profit before tax		2,441,855	2,089,781
Tax on profit	11	(459,832)	(410,631)
Profit for the financial year		1,982,023	1,679,150
Other comprehensive income for the year			
Total comprehensive income for the year		1,982,023	1,679,150

The notes on pages 11 to 24 form part of these financial statements.

ORTHENE CHEMICALS LIMITED
REGISTERED NUMBER: 01249728

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	13	2,474,774	2,380,731
Current assets			
Stocks	14	1,718,876	1,732,290
Debtors: amounts falling due within one year	15	6,129,404	5,574,784
Cash at bank and in hand	16	2,406,105	1,949,290
		<u>10,254,385</u>	<u>9,256,364</u>
Creditors: amounts falling due within one year	17	<u>(5,727,053)</u>	<u>(4,556,613)</u>
Net current assets		<u>4,527,332</u>	<u>4,699,751</u>
Total assets less current liabilities		<u>7,002,106</u>	<u>7,080,482</u>
Creditors: amounts falling due after more than one year	18	(97,074)	(70,109)
Provisions for liabilities			
Deferred tax	20	(212,387)	(158,582)
Net assets		<u><u>6,692,645</u></u>	<u><u>6,851,791</u></u>
Capital and reserves			
Called up share capital	21	400	400
Capital redemption reserve	22	600	600
Profit and loss account	22	6,691,645	6,850,791
		<u><u>6,692,645</u></u>	<u><u>6,851,791</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

.....
C J Ker
Director

Date: 4 May 2022

The notes on pages 11 to 24 form part of these financial statements.

ORTHENE CHEMICALS LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
At 1 April 2019	400	600	5,778,331	5,779,331
Profit for the year	-	-	1,679,150	1,679,150
Dividends: Equity capital	-	-	(606,690)	(606,690)
At 1 April 2020	400	600	6,850,791	6,851,791
Profit for the year	-	-	1,982,023	1,982,023
Dividends: Equity capital	-	-	(2,141,169)	(2,141,169)
At 31 March 2021	400	600	6,691,645	6,692,645

The notes on pages 11 to 24 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

1. General information

Orthene Chemicals Limited is a private company incorporated in England and Wales. Its registered office is 5 Brember Road, South Harrow Industrial Estate, Harrow HA2 8UJ.

The principal activity of the business is that of the supply and packaging of automotive brake fluids.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Orthene Holdings Limited as at 31 March 2021 and these financial statements may be obtained from Companies House.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.3 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Interest income

Interest income is recognised in profit or loss using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	2%
Property improvements	-	20%
Plant and machinery	-	10%
Motor vehicles	-	20%
Office equipment	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Debtors

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

2.12 Cash and cash equivalents

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

2.13 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

2. Accounting policies (continued)

2.14 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.15 Financial instruments

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

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the Directors to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the Directors believe that the critical accounting policies where judgements or estimations are necessarily applied are summarised below.

- Carrying value and realisable value of stock, is reviewed by management with reference to recent purchases. Any line items where the realisable value is expected to fall below the original cost, adjustment is made and/or provisions included in the accounts.

- Recoverability of trade debtors. Management assess each debtor based on their experience or the individual involved. Where recoverability is considered to be suitably doubtful, specific provisions are made against these balances.

ORTHENE CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

4. Turnover

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	4,498,632	4,897,974
Rest of Europe	16,206,104	17,877,292
Rest of the world	8,420,446	8,454,352
	<u>29,125,182</u>	<u>31,229,618</u>

5. Operating profit

The operating profit is stated after charging:

	2021 £	2020 £
Exchange differences	<u>(93,755)</u>	<u>31,488</u>

6. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>13,100</u>	<u>12,900</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

ORTHENE CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	2,840,132	2,787,892
Social security costs	294,366	257,801
Cost of defined contribution scheme	30,826	28,120
	<u>3,165,324</u>	<u>3,073,813</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 No.	2020 No.
Average number of employees	<u>55</u>	<u>50</u>

8. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	<u>753,812</u>	<u>660,259</u>

The highest paid director received remuneration of £197,973 (2020 - £192,191).

9. Interest receivable

	2021 £	2020 £
Other interest receivable	<u>205</u>	<u>4,727</u>

ORTHENE CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

10. Interest payable and similar expenses

	2021 £	2020 £
Bank interest payable	-	124
Finance leases and hire purchase contracts	6,140	11,620
Other interest payable	5,187	-
	<u>11,327</u>	<u>11,744</u>

11. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	413,661	392,109
Adjustments in respect of previous periods	(7,634)	(21,998)
	<u>406,027</u>	<u>370,111</u>
Deferred tax		
Origination and reversal of timing differences	<u>53,805</u>	<u>40,520</u>
	<u>459,832</u>	<u>410,631</u>
Taxation on profit on ordinary activities		

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

11. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
Profit on ordinary activities before tax	<u>2,441,855</u>	<u>2,089,781</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	463,952	397,058
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	4,256	57,909
Adjustments to tax charge in respect of prior periods	(7,634)	(21,998)
Changes in provisions leading to an increase (decrease) in the tax charge	-	(22,315)
Group relief	(742)	(23)
Total tax charge for the year	<u>459,832</u>	<u>410,631</u>

Factors that may affect future tax charges

On 3 March 2021 the Chancellor of the Exchequer announced an increase in the main rate of UK corporation tax to 25 per cent for businesses with profits greater than £250,000. Businesses with profits of £50,000 or less will continue to be taxed at 19% with marginal relief for profits up to £250,000. These changes were substantially enacted on 25 May 2021 and will take effect from 1 April 2023

12. Dividends

	2021 £	2020 £
Dividends on Ordinary Shares	<u>2,141,169</u>	<u>606,690</u>

ORTHENE CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

13. Tangible fixed assets

	Freehold property £	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
Cost or valuation						
At 1 April 2020	1,489,191	684,340	2,928,752	666,856	593,473	6,362,612
Additions	-	246,215	102,222	74,429	95,840	518,706
Disposals	-	-	-	(282,394)	-	(282,394)
At 31 March 2021	1,489,191	930,555	3,030,974	458,891	689,313	6,598,924
Depreciation						
At 1 April 2020	598,067	498,379	2,083,684	323,134	478,617	3,981,881
Charge for the year on owned assets	23,484	65,405	131,708	86,271	66,259	373,127
Disposals	-	-	-	(230,858)	-	(230,858)
At 31 March 2021	621,551	563,784	2,215,392	178,547	544,876	4,124,150
Net book value						
At 31 March 2021	867,640	366,771	815,582	280,344	144,437	2,474,774
At 31 March 2020	891,124	185,961	845,068	343,722	114,856	2,380,731

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £	2020 £
Motor vehicles	187,095	318,886

14. Stocks

	2021 £	2020 £
Finished goods and goods for resale	1,718,876	1,732,290

ORTHENE CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

15. Debtors

	2021 £	2020 £
Trade debtors	4,873,179	4,636,196
Other debtors	915,649	735,652
Prepayments and accrued income	340,576	202,936
	<u>6,129,404</u>	<u>5,574,784</u>

Included within other debtors due within one year is a loan to Charles Ker, a director, amounting to £105,297 (2020 - £87,302). Amounts repaid during the year totalled £NIL.

16. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>2,406,105</u>	<u>1,949,290</u>

17. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	3,535,954	2,758,908
Amounts owed to group undertakings	1,185,093	1,185,093
Corporation tax	580,802	150,317
Other taxation and social security	99,012	8,875
Obligations under finance lease and hire purchase contracts	49,688	104,142
Other creditors	81,040	134,802
Accruals and deferred income	195,464	214,476
	<u>5,727,053</u>	<u>4,556,613</u>

The following liabilities were secured:

Details of security provided:

The facilities provided to Orthene Chemicals Limited by Barclays Bank Plc are secured by way of a legal charge over the properties, 5 Brember Road and 13a Brember Road, Harrow.

ORTHENE CHEMICALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

18. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	<u>97,074</u>	<u>70,109</u>

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	49,688	104,142
Between 1-5 years	97,074	70,109
	<u>146,762</u>	<u>174,251</u>

20. Deferred taxation

	2021 £
At beginning of year	(158,582)
Charged to profit or loss	(53,805)
At end of year	<u>(212,387)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(212,910)	(159,086)
Pension surplus	523	504
	<u>(212,387)</u>	<u>(158,582)</u>

ORTHENE CHEMICALS LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**

21. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020 - 100) Ordinary A shares of £1.00 each	100	100
100 (2020 - 100) Ordinary B shares of £1.00 each	100	100
100 (2020 - 100) Ordinary C shares of £1.00 each	100	100
100 (2020 - 100) Ordinary D shares of £1.00 each	100	100
	<hr/>	<hr/>
	400	400
	<hr/>	<hr/>

22. Reserves**Capital redemption reserve**

The capital redemption reserve includes the amounts paid by the Company on redemption of previously issued share capital.

Profit and loss account

The profit and loss account includes all current and prior period profits and losses.

23. Prior year adjustment

During the year the payroll costs have been reviewed and additional employees for the production and warehouse team have been reclassified from administrative expenditure to cost of sales. The prior year balances have been adjusted accordingly by £1,104,747.

24. Contingent liabilities

The company's bankers have given a bond in the sum of £10,000 (2020: £10,000) to HM Revenue and Customs, to guarantee payments of deferred VAT on the importation of goods.

The company's bankers have given a bond in the sum of £15,000 (2020: £15,000) to the Ministry of Finance in Belgium to cover any VAT liability in that country.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £30,826 (2020 - £28,120). Contributions totalling £14,823 (2020 - £14,577) were payable to the fund at the balance sheet date

ORTHENE CHEMICALS LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

26. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £	2020 £
Not later than 1 year	75,000	57,500
Later than 1 year and not later than 5 years	506,250	562,500
	<u>581,250</u>	<u>620,000</u>

27. Related party transactions

The company has taken advantage of the exemption set out in section 33 of FRS102 to not disclose transactions and year end balances with its parent company.

C Ker, a director, use the company to make purchases during the year, the total value of these were £17,995 (2020: £31,876). As at 31 March 2021 the total amount owed to the Company was £105,297 (2020: £87,302)

28. Controlling party

The immediate parent company is Orthene Holdings Limited, a company incorporated in England and Wales. Orthene Holdings Limited is controlled by the family of C J Ker, a director of the Company.

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