

**Sibelco Minerals and Chemicals (Holdings)  
Limited**

**Directors' report and financial  
statements**

**Registered number 495403**

**Year ended 31 December 2019**



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## Directors' report

The directors present their report and financial statements for the year ended 31 December 2019.

### *Business review and principal activity*

Sibelco Minerals and Chemicals (Holdings) Limited operates as a holding company for the mineral companies within the UK SCR Sibelco NV group. During the year the Company received interest on its cash balances from other group companies of £nil (2018: nil) and produced a profit for the year of £nil (2018: £93).

### *Principal risks and uncertainties*

The company is non-trading and its only activities are interest received on intercompany balances and the receipt and payment of dividends through the Sibelco group. Since this interest is based on LIBOR, any changes to this measure of interest rates will have a significant impact on the company's profitability.

See note 1 to the financial statements for details of the going concern status of the company.

### **Dividend**

During the year the Company has not declared or paid a dividend to the company's immediate parent company and controlling party, Watts Blake Bearne & Co Ltd, (2018: nil).

### **Capital management**

The company defines capital as its net assets, or equity. At the reporting date, the company had no debt, but had an intercompany cash pooling surplus. Detailed cash flow forecasts are prepared at a Group level on a monthly basis with the objective of alerting senior management to potential future risks and enabling them to manage the company's capital effectively. The group cash pooling arrangements allow for surplus capital to be fully utilised and shortfalls in capital to be met.

### **Going Concern**

The Directors have considered the net current liability position of £11.6m and have continued to adopt the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of severe but plausible downside scenarios arising from COVID-19. Due to the nature of this entity and the fact that it doesn't currently trade means that the pandemic has not had a significant impact on the Company.

The directors have also assessed the current financial position of the Company in association with the Sibelco Group's financing strategy. The ultimate parent of Sibelco Minerals and Chemicals (Holdings) Limited, i.e. SCR Sibelco NV, has provided a letter of support covering a period of at least 12 months from the date of approval of the financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

### **Directors**

The following is a list of all persons who were directors of the Company at any time between 1 January 2019 and the date of this report:

MC James  
JW van Put

### **Auditor**

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Ernst & Young LLP will therefore continue in office.

### **Disclosure of information to auditor**

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## **Directors' report (*continued*)**

### **Small companies exemption**

The Directors have taken advantage of the small companies exemption provided by section 414B of the Companies Act 2006 in not preparing a Strategic Report.

### **Events after the reporting period**

The outbreak of COVID-19 is considered to be a non-adjusting post balance sheet event as at 31 December 2019 on the basis that the World Health Organisation was first informed of cases of a new virus in Wuhan on 31 December and as such had not declared a global health emergency at that date. Consequently, no adjustments have been made to the Company's reported results or financial position as a result of COVID-19. The future financial impact cannot presently be estimated as it is highly dependent on the the severity and duration of the pandemic, but it could be material to the Company's results and financial position and could result in changes in carrying values of fixed and current assets.

By order of the board



**MC James**  
Director

Date: 22 December 2020

Brookside Hall  
Congleton Road  
Sandbach  
Cheshire  
CW11 4TF

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

The directors are responsible for preparing 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 they have elected to prepare the financial statements in accordance with IFRSs as adopted by the EU 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 judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRSs as adopted by the EU; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIBELCO MINERALS AND CHEMICALS (HOLDINGS) LIMITED**

### **Opinion**

We have audited the financial statements of Sibelco Minerals and Chemicals (Holdings) Limited for the year ended 31 December 2019 which comprise the Income statement, Statement of comprehensive income, Statement of changes in equity, Statement of financial position, Cash flow statement and related notes 1 to 14, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the company's affairs as at 31 December 2019 and of its result for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 below. 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.

### **Emphasis of matter – Effects of COVID-19**

We draw attention to Note 1 and 14 of the financial statements, which describes the economic consequences the company is facing as a result of COVID-19 which is impacting the company's subsidiaries. Our opinion is not modified in respect of this matter.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **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.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIBELCO MINERALS AND CHEMICALS (HOLDINGS) LIMITED (continued)**

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 there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; 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 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; and
- the Directors were not entitled to take advantage of the small companies' exemption in not preparing the Strategic Report.

### **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 SIBELCO MINERALS AND CHEMICALS (HOLDINGS) LIMITED (continued)**

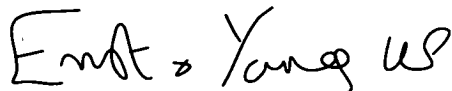
### **Auditor's responsibilities for the audit of the financial statements**

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our 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



Julian Yates (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Manchester

Date: 23/12/20



**Income statement**  
*for the year ended 31 December 2019*

	<i>Note</i>	<b>2019</b> <b>£</b>	<b>2018</b> <b>£</b>
Finance income	4	-	115
<b>Profit before taxation</b>		-	115
Taxation	5	-	(22)
<b>Profit for the year</b>	11	-	93

The above results derive from continuing operations.

The notes on pages 11 to 19 form part of these financial statements.

**Statement of comprehensive income**  
*for the year ended 31 December 2019*

	2019 £	2018 £
Profit for the year	-	93
<b>Total comprehensive income for the period</b>	<b>-</b>	<b>93</b>
<b>Total comprehensive income is attributable to:</b>		
Equity shareholders	-	93

**Statement of changes in equity**  
*for the year ended 31 December 2019*

	Share capital £	Share premium account £	Capital Reserve £	Profit and loss account £	Total £
At 1 January 2018	1,200,002	11,218,274	493,460	1,026	12,912,762
Total comprehensive income for the year	-	-	-	93	93
Dividend	-	-	-	-	-
<b>At 1 January 2019</b>	<b>1,200,002</b>	<b>11,218,274</b>	<b>493,460</b>	<b>1,119</b>	<b>12,912,855</b>
Total comprehensive income for the year	-	-	-	-	-
Dividend	-	-	-	-	-
<b>At 31 December 2019</b>	<b>1,200,002</b>	<b>11,218,274</b>	<b>493,460</b>	<b>1,119</b>	<b>12,912,855</b>

The notes on pages 11 to 19 form part of these financial statements.

**Statement of financial position**  
*at 31 December 2019*

	<i>Note</i>	<b>2019</b> £	<b>2018</b> £
<b>Non-current assets</b>			
Investments	6	24,485,604	24,485,604
<b>Current assets</b>			
Cash and cash equivalents including amounts held	7	-	-
<b>Total assets</b>		<u>24,485,604</u>	<u>24,485,604</u>
<b>Current liabilities</b>			
Trade and other payables	8	(11,572,696)	(11,572,696)
Tax payable		(53)	(53)
<b>Total liabilities</b>		<u>(11,572,749)</u>	<u>(11,572,749)</u>
<b>Net current liabilities</b>		<u>(11,572,749)</u>	<u>(11,572,749)</u>
<b>Net assets</b>		<u>12,912,855</u>	<u>12,912,855</u>
<b>Equity</b>			
Called up share capital	10	1,200,002	1,200,002
Share premium account	11	11,218,274	11,218,274
Capital reserve	11	493,460	493,460
Profit and loss account	11	1,119	1,119
<b>Total equity</b>		<u>12,912,855</u>	<u>12,912,855</u>

These financial statements were approved by the board of directors on 22 December 2020 and were signed on its behalf by:



**MC James**  
 Director

The notes on pages 11 to 19 form part of these financial statements

**Cash flow statement**  
*for the year ended 31 December 2019*

	Note	2019	2018
		£	£
<b>Cash flow from operating activities</b>			
Profit before taxation		-	115
Adjustments for:			
Financial income		-	(115)
Decrease in Payables		-	(61,684)
Cash flow generated from operations		-	(61,684)
Taxation received		-	-
<b>Net cash flow used in operating activities</b>			
<b>Cash flow from investing activities</b>			
Interest received		-	115
<b>Net cash used in investing activities</b>		-	115
<b>Cash flow from financing activities</b>			
Dividend received from subsidiary undertakings		-	-
Dividend paid to Company's shareholder		-	-
<b>Net cash used in financing activities</b>		-	-
<b>Net decrease in cash and cash equivalents in the year</b>		=	<u>(61,749)</u>
Cash and cash equivalents at 1 January		-	61,749
<b>Cash and cash equivalents at 31 December</b>		<u>0</u>	<u>0</u>

The notes on pages 11 to 19 form part of these financial statements

Cash and cash equivalents are held with fellow group undertakings.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Sibelco Minerals and Chemicals (Holdings) Limited (the "Company") is a company incorporated and domiciled in the UK.

#### *Basis of preparation*

The financial statements have been prepared under the historical cost convention and approved by the directors in accordance with International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs").

The Directors have considered the net current liability position of £11.6m and have continued to adopt the going concern basis in preparing these accounts after assessing the principal risks and having considered the impact of severe but plausible downside scenarios arising from COVID-19. Due to the nature of this entity and the fact that it doesn't currently trade means that the pandemic has not had a significant impact on the Company.

The directors have also assessed the current financial position of the Company in association with the Sibelco Group's financing strategy. The ultimate parent of Sibelco Minerals and Chemicals (Holdings) Limited, i.e. SCR Sibelco NV, has provided a letter of support covering a period of at least 12 months from the date of approval of the financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### **Changes in accounting policies and disclosures**

##### *New and amended standards and interpretations*

The Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2019. The Company has not early adopted any other standard, interpretation or amendment that has been issued but not yet effective.

The Company only lists and addresses those new and amended standards and interpretations that are relevant to the Company's financial position, performance and/or disclosures. Although these new standards and amendments applied for the first time in 2018, they did not have a material impact on the annual consolidated financial statements of the Company.

The nature and the impact of each new standard and amendment is described below:

##### ***IFRS 15 Revenue from Contracts with Customers***

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement.

The Company has adopted IFRS 15 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application, i.e. 1<sup>st</sup> January 2018.

The application of IFRS 15 has no significant effect on the Company's financial position and performance.

##### ***IFRS 9 Financial Instruments.***

IFRS 9 Financial Instruments replaces IAS39 Financial Instruments:

Recognition and Measurement for annual periods beginning on or after 1<sup>st</sup> January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

With the exception of hedge accounting, which the Company applied prospectively, the Company has applied IFRS 9 retrospectively, with the initial application date of 1 January 2018, not adjusting the comparative information for earlier periods.

## Notes (continued)

### 1 Accounting policies (continued)

#### (a) Classification and measurement

Under IFRS 9, debt instruments are subsequently measured at fair value through profit or loss, amortised cost, or fair value through OCI.

The classification is based on two criteria: the Company's business model for managing the assets; and whether the instruments' contractual cash flows represent 'solely payments of principal and interest' on the principal amount outstanding.

The classification and measurement requirements of IFRS 9 did not have a significant impact on the Company. The Company continued measuring at fair value all financial assets previously held at fair value under IAS 39. The most relevant category for the Company is the financial assets at amortised cost because the Company classifies its trade receivables mainly under this category. The classification of these instruments into that category is supported because:

- The trade receivables are generally held within a business model with the objective to hold the financial assets in order to collect contractual cash flows; and
- The contractual terms of the trade receivables give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The categorisation of the trade receivables as financial assets at amortised cost means that they are subsequently measured using the effective interest rate method (EIR), if applicable, and they are subject to the impairment model of IFRS 9 (see below). Gains and losses are recognised in profit or loss when the asset is derecognised.

There are no changes in classification and measurement for the Company's financial liabilities.

#### (b) Impairment

The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. IFRS 9 requires the Company to recognise an allowance for ECLs for all debt instruments not held at fair value through profit or loss and contract assets. It applies mainly to trade receivables for which the Company decided applying the simplified approach in accordance with IFRS 9. In line with the requirements of the standard the Company does not track changes in credit risk for these assets but instead recognises a loss allowance based on lifetime ECLs at each reporting period. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward looking factors specific to the debtors and the economic environment, when relevant.

Upon the adoption of IFRS 9, the Company recognised no significant additional impairment on the Company's Trade receivables.

#### (c) Hedge accounting

The Company applied hedge accounting prospectively. At the date of initial application, all of the Company's existing hedging relationships were eligible to be treated as continuing hedging relationships. Before the adoption of IFRS 9, the Company designated the change in fair value of the entire forward contracts in its cash flow hedge relationships.

Upon adoption of the hedge accounting requirements of IFRS 9, the Company designates only the spot element of forward contracts as hedging instrument. The forward element is recognised in OCI and accumulated as a separate component of equity under Cost of hedging reserve. This change only applies prospectively from the date of initial application of IFRS 9 and has no impact on the presentation of comparative figures.

Under IAS 39, all gains and losses arising from the Company's cash flow hedging relationships were eligible to be subsequently reclassified to profit or loss. However, under IFRS 9, gains and losses arising on cash flow hedges of forecast purchases of non-financial assets need to be incorporated into the initial carrying amounts of the non-financial assets. This change only applies prospectively from the date of initial application of IFRS 9 and has no impact on the presentation of comparative figures.

## Notes (continued)

### 1 Accounting policies (continued)

#### *Consolidated financial statements*

The Company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

#### *Investments*

Investments are stated at cost less provisions for any permanent diminution in value.

#### *Taxation*

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill, the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the reporting date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

#### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the company's cash management are included as a component of cash and cash equivalents for the purpose only of the statement of cash flows. A central component of the company's treasury policy is that cash balances and bank overdrafts are held with a fellow group undertaking, to maximise financial benefits to the company and its ultimate parent undertaking. All cash balances, overdrafts, loans and borrowings between the companies in the SCR-Sibelco NV group are organised on an arm's length basis, being interest bearing at relevant market rates.

## Notes (continued)

### 1 Accounting policies (continued)

#### Financial instruments

Financial assets and financial liabilities, in respect of financial instruments, are recognised on the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities with group companies are initially recognised at fair value which is equal to cost at inception.

#### Adopted IFRS not yet applied

The IASB and IFRIC have issued a number of new and revised standards and interpretations with an effective date after the date of these financial statements. Their adoption is not expected to have a material effect on the financial statements of the Company.

#### Going Concern

The directors have continued to adopt the going concern basis in preparing these accounts taking into account the net current liability position of £11.6m and after assessing the principal risks and having considered the impact of severe but plausible downside scenarios arising from COVID-19. Due to the nature of this entity and the fact that it doesn't currently trade means that the pandemic has not had a significant, if any, impact on the Company.

The directors have also assessed the current financial position of the Company in association with the Sibelco Group's financing strategy. The ultimate parent of Sibelco Minerals and Chemicals (Holdings) Limited, i.e. SCR Sibelco NV, has provided a letter of support covering a period of at least 12 months from the date of approval of the financial statements. They therefore consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

### 2 Employee costs and Directors' remuneration

The Company had no employees in the current or prior year. The Directors are Directors of other group companies. Their services to this Company are inconsequential hence no remuneration is attributable to this Company.

### 3 Auditor's remuneration

No expense is recognised in the income statement for the audit of these financial statements or other services. These costs are borne by other group undertakings (2018: £nil).

### 4 Finance Income

	2019 £	2018 £
Interest Received	-	115
	=	<u>115</u>



## Notes (continued)

### 5 Taxation

	2019 £	2018 £
<b>Recognised in the income statement</b>		
Current tax expense on profit for the year	-	(22)
Current tax expense	-	(22)
Total tax in income statement	-	(22)
	2019 £	2018 £
<b>Reconciliation of effective tax rate</b>		
Profit before tax	-	115
Tax using UK corporation tax rate of 19.00% (2017: 19.25%)	-	22
Adjustments to tax charge in respect of previous years	-	-
Tax exempt revenue	-	-
Total tax in income statement	-	(22)

The company has a brought forward capital loss of £0 available to carry forward against future capital profits (2018: nil). No deferred tax asset has been recognised on the grounds that recovery is uncertain (2018: £nil).

## Notes (continued)

### 6 Investments

	Shares in subsidiary undertakings £
<i>Shares</i>	
<i>Cost</i>	
At 1 January 2018	24,617,000
At 31 December 2016, 2017, 2018 and 2019	<u>24,617,000</u>
<i>Provisions</i>	
At 1 January 2018, 31 December 2018 and 31 December 2019	<u>(131,396)</u>
<i>Net book value</i>	
At 1 January 2018	24,485,604
At 31 December 2018 and 31 December 2019	<u>24,485,604</u>

The company has the following investments in subsidiaries:

Company	Country of incorporation or registration
Sibelco UK Limited	England

The Company holds 100% of the issued ordinary share capital of its subsidiary.

In the opinion of the directors, the aggregate value of the investment in the Company's subsidiary is not less than the aggregate of the amount at which those assets are stated in the statement of financial position.

### 7 Financial Assets

	2019 £	2018 £
Cash and cash equivalents held with fellow group undertakings	-	-

## Notes (continued)

### 8 Trade and other payables

<i>Amounts payable within one year</i>	2019 £	2018 £
Amount owed to parent undertaking	11,572,696	11,572,696
	<u>11,572,696</u>	<u>11,572,696</u>

### 9 Financial instruments

The Company's financial assets and financial liabilities are set out below

	2019 £	2018 £
<b>Financial assets</b>		
Cash and cash equivalents held with fellow group undertakings	-	-
<b>Financial liabilities</b>		
Trade and other payables	(11,572,696)	(11,572,696)

### Liquidity risk management

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due.

Detailed cash flow forecasts are prepared on a monthly basis at a Group level with the objective of alerting senior management to potential future risks. The company operates its banking facilities within a Group Cash Pooling arrangement, mitigating the effects of liquidity risks.

At 31 December the Company was contractually obliged to make repayments of principal and payments of interest as detailed below.

	Carrying amount £	Contractual cash flows £	Within one year or on demand £	1-2 years £	3-5 years £	More than 5 years £
<b>2019</b>						
Trade and other payables	11,572,696	11,572,696	11,572,696	-	-	-
	<u>11,572,696</u>	<u>11,572,696</u>	<u>11,572,696</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>2018</b>						
Trade and other payables	11,572,696	11,572,696	11,572,696	-	-	-
	<u>11,572,696</u>	<u>11,572,696</u>	<u>11,572,696</u>	<u>-</u>	<u>-</u>	<u>-</u>

### Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers. At 31 December 2019 the Company had no financial assets which were past due (2018: £nil) and the Company had no allowance for doubtful receivables (2018: £nil). Due to the Company's principal activity as a holding company and provider of services to other companies in the Sibelco group, it has few third party receivables.

## Notes (continued)

### 9 Financial instruments (continued)

#### Foreign currency risk management

The Company has no exposure to foreign currency risk at the year end (2018: £nil).

#### Interest rate risk management

The Company has no exposure to interest rate risk at the year end (2018: £nil).

#### Capital management

The company defines capital as its net assets, or equity. At the reporting date, the company had no debt other than the interest bearing borrowings from another group undertaking as outlined above. Detailed cash flow forecasts are prepared on a monthly basis with the objective of alerting senior management to potential future risks and enabling them to manage the company's capital effectively. The group cash pooling arrangements allow for surplus capital to be fully utilised and shortfalls in capital to be met.

### 10 Share capital

	2019 £	2018 £
1,200,002 Ordinary shares of £1 each:		
Authorised, allotted, called up and fully paid	1,200,002	1,200,002

### 11 Reserves

	Share premium account £	Capital reserve £	Profit and loss account £
At 1 January 2018	11,218,274	493,460	1,026
Profit for the year	-	-	93
At 31 December 2018	<u>11,218,274</u>	<u>493,460</u>	<u>1,119</u>
At 1 January 2019	<u>11,218,274</u>	<u>493,460</u>	<u>1,119</u>
Profit for the year	-	-	-
At 31 December 2019	<u>11,218,274</u>	<u>493,460</u>	<u>1,119</u>

### 12 Related party transactions

The following transactions were carried out with fellow group and subsidiary undertakings:

	2018 £	2017 £
Interest receivable	-	115
Dividend received	-	-9
Dividends payable	-	-

## Notes (continued)

### 12 Related party transactions (continued)

The year-end balances with related parties are as follows:

	2018 £	2017 £
Investments in subsidiary undertakings (net of impairments)	24,485,604	24,485,604
Cash and cash equivalents held with fellow group undertakings	-	-
Group relief payable to fellow group and subsidiary undertakings	-	-
Amount owed to parent undertaking	11,572,696	11,572,696

### Compensation of key management personnel

The Company had no employees in the current or prior year.

### 13 Ultimate parent company and parent company of larger group

The company's immediate parent company and controlling party is Watts Blake Bearne & Co Limited, registered in England and Wales. Copies of the Watts Blake Bearne & Co Limited financial statements are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ.

The smallest and largest group in which the results of the company are consolidated is that of the ultimate parent undertaking and controlling related party, SCR Sibelco NV. This company is incorporated in Belgium, with its consolidated financial statements available from Balanscentrale, at Nationale Bank van België, Balanscentrale, de Berlaimontlaan 14, 1000 Brussel.

### 14 Events after the reporting period

The outbreak of COVID-19 is considered to be a non-adjusting post balance sheet event as at 31 December 2019 on the basis that the World Health Organisation was first informed of cases of a new virus in Wuhan on 31 December and as such had not declared a global health emergency at that date. Consequently, no adjustments have been made to the Company's reported results or financial position as a result of COVID-19. The future financial impact cannot presently be estimated as it is highly dependent on the the severity and duration of the pandemic, but it could be material to the Company's results and financial position.