

Company Registration No 05262589 (England and Wales)

BIP (OLDBURY) LIMITED
ANNUAL REPORT AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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BIP (OLDBURY) LIMITED

COMPANY INFORMATION

| | | |
|--------------------------|--|---|
| Directors | Mr W P Alexander Mr V Patel Mr M G Hughes Mr J N Perrie | (Appointed 5 February 2021) (Appointed 5 May 2021) |
| Secretary | Mr D J Kelso | |
| Company number | 05262589 | |
| Registered office | Tat Bank Road Oldbury West Midlands B69 4NH | |
| Auditor | Edwards 34 High Street Aldridge Walsall West Midlands WS9 8LZ | |
| Bankers | Barclays Bank plc One Snowhill Snowhill Queensway Birmingham B3 2WN | |
| Solicitors | Womble Bond Dickinson (UK) LLP Newcastle St Ann's Newcastle upon Tyne NE1 3DX | |

BIP (OLDBURY) LIMITED

CONTENTS

| | Page |
|---------------------------------------|-------------|
| Strategic report | 1 - 2 |
| Directors' report | 3 |
| Directors' responsibilities statement | 4 |
| Independent auditor's report | 5 - 7 |
| Statement of comprehensive income | 8 |
| Statement of financial position | 9 |
| Statement of changes in equity | 10 |
| Notes to the financial statements | 11 - 20 |

BIP (OLDBURY) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Fair review of the business

The principal and continuing activities of the company are the manufacture of resins and other chemicals. The company's directors advise that the overall result for 2021 is in line with expectations.

The company has exposure to foreign currencies due to selling and purchasing some of its products in currencies other than sterling. The directors do not consider this a material risk.

The company's credit risk is primarily attributable to its trade debtors. This risk is minimised by the number of long established customers and emphasis on good credit management.

The company's policy is to ensure continuity through effective management of its current assets and liabilities.

The results for the year's trading, the financial position of the company and the transfer to reserves are shown in the annexed financial statements.

| | | |
|-------------------|------------|--------------------|
| Profit before tax | £1,248,204 | (2020: £1,568,624) |
| Profit after tax | £1,033,973 | (2020: £1,263,846) |

Dividends of 56.17 pence per share (2020: 32.34 pence) were paid in the year. The dividends absorb £505,538 (2020: £291,096) leaving a £528,435 profit to be transferred to reserves (2020: £972,750).

Trends likely to affect the future development of the business

The principal risk to the company arises from the uncertainty in the UK and global economies. The company's long established supplier and customer base helps to mitigate this risk.

The company continues to invest in research and development of its product range and in seeking new and improved products and new marketplaces for products.

The company and its continued profitability is subject to normal business risks of manufacturing generally and more specifically to manufacturing within the chemicals industry. Continuity of supply of raw materials is considered key to the business and contracts with suppliers are in place to ensure continued availability of these materials.

The company continues to examine and monitor its policy with regard to the environment. The policy is to ensure we understand and effectively manage the actual and potential environmental impact of our activities. Our operations are conducted such that we comply with all legal requirements relating to the environment in all areas where we carry out our business. During the period covered by this report the company has not incurred any fines or penalties or been investigated for any breach of environmental regulations.

BIP (OLDBURY) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Key performance indicators

Key performance indicators are used to measure and evaluate company performance against targets and monitor various activities throughout the company. The main key performance indicators employed in the company are:

- Turnover levels (by product and market)
- Profit levels (gross and net)
- Staff costs (direct and indirect)
- Debtor days

The board monitor these on a monthly basis against budgets.

By order of the board



Mr D J Kelso

Secretary

6 May 2022

BIP (OLDBURY) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Results and dividends

The results for the year are set out on page 9.

Ordinary dividends were paid amounting to £505,538. The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr W P Alexander

Mr V Patel

Mr M G Hughes

Mr J N Perrie

Mr S W Sloan

(Appointed 5 February 2021)

(Appointed 5 May 2021)

(Appointed 10 February 2021 and resigned 29 November 2021)

Directors' insurance

The company maintains insurance policies on behalf of all the directors against liability arising from negligence, breach of duty and breach of trust in relation to the company.

Research and development

The company continues to commit significant resource and time to the development of new and enhanced products that reinforce the competitive edge of the company's range of chemicals. Research and development spend for 2022 will remain at similar levels to 2021.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Other matters

On the 11th of March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. Management is closely monitoring the evolution of this pandemic, including how it may affect the company, the economy and the general population. We currently have an appropriate response plan in place and we will continue to monitor and assess the ongoing development and respond accordingly.

By order of the board


Mr D J Kelso
Secretary

6 May 2022

BIP (OLDBURY) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

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). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

BIP (OLDBURY) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF BIP (OLDBURY) LIMITED

Opinion

We have audited the financial statements of BIP (Oldbury) Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The 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.

BIP (OLDBURY) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BIP (OLDBURY) LIMITED

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the 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.

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.

BIP (OLDBURY) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF BIP (OLDBURY) LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

Based on our understanding of the industry, we identified limited risk of non-compliance with industry specific laws and regulations. In making this assessment, we considered the extent to which non-compliance might have a material effect on the financial statements.

We also considered those laws and regulations that have a direct impact on preparation of the financial statements, such as the Companies Act 2006 and health and safety legislation, especially the COMAH and REACH regulations. We examined management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of overriding of controls) and determined that the principal risks were relating to management judgements included in the financial statements, in particular those relating to the calculation of stock provisions.

We also discussed with management the possibility of non-compliance with laws and regulations and reviewed the management controls in place to detect such irregularities. Audit procedures included challenging assumptions made by management in their significant accounting estimates.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions described in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one due to error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available 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.



Paul Tonks BSc (Econ) FCA (Senior Statutory Auditor)
For and on behalf of Edwards

6 May 2022

Chartered Accountants
Statutory Auditor

34 High Street
Aldridge
Walsall
West Midlands
WS9 8LZ

BIP (OLDBURY) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | 2021 £ | 2020 £ |
|--|-------|------------------|------------------|
| Turnover | 3 | 22,353,255 | 19,329,736 |
| Cost of sales | | (19,784,985) | (16,258,037) |
| Gross profit | | 2,568,270 | 3,071,699 |
| Administrative expenses | | (1,449,785) | (1,624,794) |
| Other operating income | | 127,938 | 121,823 |
| Operating profit | 4 | 1,246,423 | 1,568,728 |
| Interest receivable and similar income | 7 | 1,781 | - |
| Interest payable and similar expenses | | - | (104) |
| Profit before taxation | | 1,248,204 | 1,568,624 |
| Tax on profit | 8 | (214,231) | (304,778) |
| Profit for the financial year | | 1,033,973 | 1,263,846 |

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

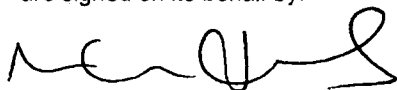
BIP (OLDBURY) LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2021

| | Notes | 2021 £ | £ | 2020 £ | £ |
|---|-------|-------------|-----------|-------------|-----------|
| Fixed assets | | | | | |
| Tangible assets | 10 | | 1,776,223 | | 2,021,798 |
| Current assets | | | | | |
| Stocks | 11 | 2,161,219 | | 1,617,030 | |
| Debtors | 12 | 4,919,253 | | 3,370,782 | |
| Cash at bank and in hand | | 3,200,706 | | 4,012,149 | |
| | | 10,281,178 | | 8,999,961 | |
| Creditors: amounts falling due within one year | 13 | (2,516,673) | | (2,007,766) | |
| Net current assets | | | 7,764,505 | | 6,992,195 |
| Total assets less current liabilities | | | 9,540,728 | | 9,013,993 |
| Provisions for liabilities | | | | | |
| Deferred tax liability | 14 | 117,300 | (117,300) | 119,000 | (119,000) |
| Net assets | | | 9,423,428 | | 8,894,993 |
| Capital and reserves | | | | | |
| Called up share capital | 16 | | 900,001 | | 900,001 |
| Profit and loss reserves | | | 8,523,427 | | 7,994,992 |
| Total equity | | | 9,423,428 | | 8,894,993 |

The financial statements were approved by the board of directors and authorised for issue on 6 May 2022 and are signed on its behalf by:



Mr M G Hughes
Director



Mr J N Perrie
Director

Company Registration No. 05262589

BIP (OLDBURY) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

| | Notes | Share capital £ | Profit and loss reserves £ | Total £ |
|--|-------|-----------------------|-------------------------------------|------------|
| Balance at 1 January 2020 | | 900,001 | 7,022,242 | 7,922,243 |
| Period ended 31 December 2020: | | | | |
| Profit and total comprehensive income for the period | | - | 1,263,846 | 1,263,846 |
| Dividends | 9 | - | (291,096) | (291,096) |
| Balance at 31 December 2020 | | 900,001 | 7,994,992 | 8,894,993 |
| Year ended 31 December 2021: | | | | |
| Profit and total comprehensive income for the year | | - | 1,033,973 | 1,033,973 |
| Dividends | 9 | - | (505,538) | (505,538) |
| Balance at 31 December 2021 | | 900,001 | 8,523,427 | 9,423,428 |

BIP (OLDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

BIP (Oldbury) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Tat Bank Road, Oldbury, West Midlands, B69 4NH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

BIP (Oldbury) Limited is a wholly owned subsidiary of Tennants Consolidated Limited and the results of BIP (Oldbury) Limited are included in the consolidated financial statements of Tennants Consolidated Limited which are available from Companies House.

1.2 Going concern

The directors have at the time of approving the financial statements, an expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover derives principally from the manufacture of resins and other chemicals. Turnover represents the fair value of consideration received or receivable for goods supplied to customers, after deducting rebates and value added taxes. Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have been transferred to the customer, the revenue and costs incurred in respect of the transaction can be measured reliably and collectability is assured.

BIP (OLDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|-------------------------------|-------------------------|
| Plant and machinery | 10% - 20% straight line |
| Computer and office equipment | 33% straight line |

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

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

1.5 Stocks

Stocks are valued at the lower of cost and net realisable value. Cost comprises expenditure incurred in the normal course of business in bringing the stocks to their present location and condition and, in the case of work-in-progress and finished goods, an appropriate addition for production overheads. Cost of stock is calculated using the first in, first out method.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.7 Financial instruments

Financial liabilities and equity instruments are classified according to the substance of contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those instruments are classed as financial liabilities. Financial liabilities are presented as such in the statement of financial position. Finance costs and gains or losses relating to financial liabilities are included in the statement of comprehensive income.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited directly to profit and loss reserves.

Derivative financial instruments are recognised at fair value using a valuation technique with any gains or losses being reported in the income statement. Outstanding derivatives at the reporting date are included under the appropriate format heading depending on the nature of the derivative.

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

BIP (OLDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.8 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.9 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.10 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.11 Leases

Rentals payable under operating leases are charged to the income statement on a straight line basis over the term of the lease.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

BIP (OLDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.13 Repairs and renewals

All expenditure on repairs and renewals is written off in the year in which it is incurred.

1.14 Research and development

Research and development expenditure is written off in the year in which it is incurred.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Net realisable value is based on selling price less anticipated costs to completion and selling costs.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

| | 2021 | 2020 |
|---|-------------------|-------------------|
| | £ | £ |
| Turnover analysed by geographical market | | |
| Home | 2,833,717 | 2,481,945 |
| Export | 19,519,538 | 16,847,791 |
| | <u>22,353,255</u> | <u>19,329,736</u> |
| | | |
| | 2021 | 2020 |
| | £ | £ |
| Other significant revenue | | |
| Interest income | 1,781 | - |
| Rent | <u>127,938</u> | <u>121,823</u> |

BIP (OLDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

4 Operating profit

| | 2021 £ | 2020 £ |
|---|------------|------------|
| Operating profit for the year is stated after charging: | | |
| Fees payable to the company's auditor for the audit of the company's financial statements | 16,800 | 17,000 |
| Depreciation of owned tangible fixed assets | 484,920 | 442,618 |
| Hire of plant and machinery | 57,452 | 60,224 |
| Cost of stocks recognised as an expense | 15,923,328 | 12,014,345 |
| Operating lease charges | 48,486 | 50,740 |

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

| | 2021 Number | 2020 Number |
|-------------------------------|----------------|----------------|
| Management and administration | 6 | 6 |
| Distribution and sales | 5 | 5 |
| Production | 32 | 33 |
| Total | 43 | 44 |

Their aggregate remuneration comprised:

| | 2021 £ | 2020 £ |
|-----------------------|-----------|-----------|
| Wages and salaries | 1,609,644 | 1,501,842 |
| Social security costs | 166,272 | 152,226 |
| Pension costs | 87,012 | 82,624 |
| | 1,862,928 | 1,736,692 |

6 Directors' remuneration

| | 2021 £ | 2020 £ |
|---|-----------|-----------|
| Remuneration for qualifying services | 132,758 | 153,379 |
| Company pension contributions to defined contribution schemes | 4,875 | 4,500 |
| | 137,633 | 157,879 |

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

BIP (OLDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

6 Directors' remuneration (Continued)

Remuneration for qualifying services, above, includes amounts recharged from group companies in relation to directors services.

7 Interest receivable and similar income

| | 2021 £ | 2020 £ |
|-----------------------|-----------|-----------|
| Interest income | | |
| Other interest income | 1,781 | - |

8 Taxation

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Current tax | | |
| UK corporation tax on profits for the current period | 238,282 | 323,155 |
| Adjustments in respect of prior periods | (22,351) | 4,123 |
| Total current tax | 215,931 | 327,278 |
| Deferred tax | | |
| Origination and reversal of timing differences | (1,700) | (22,500) |
| Total tax charge | 214,231 | 304,778 |

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

| | 2021 £ | 2020 £ |
|--|-----------|-----------|
| Profit before taxation | 1,248,204 | 1,568,624 |
| Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%) | 237,159 | 298,039 |
| Tax effect of expenses that are not deductible in determining taxable profit | 7,465 | 7,538 |
| Tax effect of income not taxable in determining taxable profit | - | (4,922) |
| Under/(over) provided in prior years | (22,351) | 4,123 |
| Tax effect of enhanced capital allowances | (8,042) | - |
| Taxation charge for the year | 214,231 | 304,778 |

BIP (OLDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Dividends

| | 2021 £ | 2020 £ |
|------------|-----------|-----------|
| Final paid | 505,538 | 291,096 |

10 Tangible fixed assets

| | Plant and machinery £ | Computer and office equipment £ | Total £ |
|------------------------------------|--------------------------|------------------------------------|------------|
| Cost | | | |
| At 1 January 2021 | 5,942,308 | 215,071 | 6,157,379 |
| Additions | 225,070 | 14,275 | 239,345 |
| At 31 December 2021 | 6,167,378 | 229,346 | 6,396,724 |
| Depreciation and impairment | | | |
| At 1 January 2021 | 3,942,472 | 193,109 | 4,135,581 |
| Depreciation charged in the year | 466,531 | 18,389 | 484,920 |
| At 31 December 2021 | 4,409,003 | 211,498 | 4,620,501 |
| Carrying amount | | | |
| At 31 December 2021 | 1,758,375 | 17,848 | 1,776,223 |
| At 31 December 2020 | 1,999,836 | 21,962 | 2,021,798 |

11 Stocks

| | 2021 £ | 2020 £ |
|-------------------------------------|-----------|-----------|
| Raw materials and consumables | 1,183,372 | 770,571 |
| Finished goods and goods for resale | 977,847 | 846,459 |
| | 2,161,219 | 1,617,030 |

BIP (OLDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

12 Debtors

| | 2021 £ | 2020 £ |
|--------------------------------------|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 4,483,102 | 3,119,858 |
| Corporation tax recoverable | 34,113 | 9,981 |
| Amounts owed by group undertakings | 180,666 | 47,351 |
| Other debtors | 80,428 | 69,281 |
| Prepayments and accrued income | 140,944 | 124,311 |
| | <u>4,919,253</u> | <u>3,370,782</u> |

13 Creditors: amounts falling due within one year

| | 2021 £ | 2020 £ |
|------------------------------------|------------------|------------------|
| Trade creditors | 1,349,503 | 1,144,638 |
| Amounts owed to group undertakings | 143,091 | 31,297 |
| Corporation tax | 35,282 | - |
| Other taxation and social security | 46,705 | 62,177 |
| Other creditors | 19,345 | 772 |
| Accruals and deferred income | 922,747 | 768,882 |
| | <u>2,516,673</u> | <u>2,007,766</u> |

14 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

| | Liabilities 2021 £ | Liabilities 2020 £ |
|--------------------------------|--------------------------|--------------------------|
| Balances: | | |
| Accelerated capital allowances | 120,000 | 122,000 |
| Other | (2,700) | (3,000) |
| | <u>117,300</u> | <u>119,000</u> |
| Movements in the year: | | 2021 £ |
| Liability at 1 January 2021 | | 119,000 |
| Credit to profit or loss | | (1,700) |
| Liability at 31 December 2021 | | <u>117,300</u> |

BIP (OLDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

15 Retirement benefit schemes

| | 2021 | 2020 |
|---|--------|--------|
| | £ | £ |
| Defined contribution schemes | | |
| Charge to profit or loss in respect of defined contribution schemes | 87,012 | 82,624 |

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

There were outstanding contributions of £Nil (2020: £Nil) payable to the fund at the year end.

16 Share capital

| | 2021 | 2020 | 2021 | 2020 |
|---|---------|---------|---------|---------|
| | Number | Number | £ | £ |
| Ordinary share capital Issued and fully paid | | | | |
| Ordinary shares of £1 each | 900,001 | 900,001 | 900,001 | 900,001 |

17 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

| | 2021 | 2020 |
|----------------------------|--------|---------|
| | £ | £ |
| Within one year | 33,113 | 48,723 |
| Between two and five years | 63,875 | 97,675 |
| | 96,988 | 146,398 |

18 Financial commitments, guarantees and contingent liabilities

The company is party to a cross-guarantee, securing overdraft facilities for certain members of the Synthite Limited group, of which £Nil was utilised at 31 December 2021 (2020: £Nil).

19 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | 2021 | 2020 |
|--------------------------------------|---------|--------|
| | £ | £ |
| Acquisition of tangible fixed assets | 134,725 | 98,878 |

20 Related party transactions

The company has taken advantage of the exemptions available under Financial Reporting Standard 102, section 33.1A, "Related Party Disclosures", not to disclose transactions with wholly owned members of the same group.

BIP (OLDBURY) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) **FOR THE YEAR ENDED 31 DECEMBER 2021**

21 Ultimate controlling party

The immediate parent undertaking is Synthite Limited a company registered in England and Wales, number 164640.

The ultimate parent undertaking and controlling party is Tennants Consolidated Limited, a company registered in England and Wales, number 250915. The accounts of this company can be obtained from Companies House.