

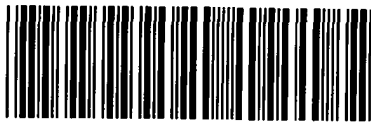
---

**Borchers Additives (UK) Limited**

---

**Annual Report and Financial Statements**  
**For the Period Ended 30 November 2020**

TUESDAY



\*AAB2WJSW\*

A16

17/08/2021

#193

COMPANIES HOUSE

---

**Borchers Additives (UK) Limited**

---

**Company Information**

---

<b>Directors</b>	H M Cook Jr. (appointed 21 February 2020) J S Graham (appointed 21 February 2020) M J Haworth (appointed 21 February 2020) D N Smart (appointed 21 February 2020) D J Moody II (appointed 21 February 2020, resigned 15 March 2021) S Oram (resigned 28 January 2020) D H Riley (resigned 28 January 2020) S Vora (resigned 28 January 2020)
<b>Company secretary</b>	M J Haworth (appointed 21 February 2020)
<b>Registered number</b>	10549942
<b>Registered office</b>	Beech Hill Plant Gidlow Lane Wigan WN6 8RN
<b>Independent auditor</b>	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 4 Hardman Square Spinningfields Manchester M3 3EB

---

**Borchers Additives (UK) Limited**

---

**Contents**

---

	Page
<b>Directors' Report</b>	<b>1 - 3</b>
<b>Independent Auditor's Report</b>	<b>4 - 8</b>
<b>Statement of Comprehensive Income</b>	<b>9</b>
<b>Balance Sheet</b>	<b>10</b>
<b>Statement of Changes in Equity</b>	<b>11</b>
<b>Notes to the Financial Statements</b>	<b>12 - 23</b>

---

**Borchers Additives (UK) Limited**

---

**Directors' Report  
For the Period Ended 30 November 2020**

---

The directors present their report and the financial statements for the period ended 30 November 2020 following a change in accounting reference period.

**Principal activity**

The principal activity of the Company during the year consisted of promoting the use of FeLT® intellectual property and development of chemical catalysts, activators and accelerators for customers in industrial applications.

The results of the Company show a profit on ordinary activities before tax of £221,931 (2019: £10,399). The Balance Sheet of the Company shows net assets of £6,301,807 (2019: £6,122,042). The directors consider that the development of the Company's business and its financial position at the end of the year were satisfactory. The directors do not expect any development in the Company's business in the coming years which is significantly different from its present activities.

On 27 February, 2019, the directors acquired shares of Borchers Catalyst (UK) Limited (previously known as Catexel Limited), a UK based company for a purchase price of \$4,400,000, which was primarily funded via a capital injection. The Company purchased Borchers Catalyst (UK) Limited to expand its product offering in the coatings market. The acquisition was funded by cash transferred by other group companies in lieu of shares issued.

The Company was acquired by the Milliken Group on January 28, 2020

**Results and Dividends**

The profit for the period, after taxation, amounted to £179,765 (2019: £10,399), which was primarily due to the continued growth of our FeLT® intellectual property.

**Directors**

The directors who served during the period were:

H M Cook Jr. (appointed 21 February 2020)  
J S Graham (appointed 21 February 2020)  
M J Haworth (appointed 21 February 2020)  
D N Smart (appointed 21 February 2020)  
D J Moody II (appointed 21 February 2020, resigned 15 March 2021)  
S Oram (resigned 28 January 2020)  
D H Riley (resigned 28 January 2020)  
S Vora (resigned 28 January 2020)

---

**Borchers Additives (UK) Limited**

---

**Directors' Report (continued)  
For the Period Ended 30 November 2020**

---

**Directors' responsibilities statement**

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 the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

**Principal risks and uncertainties****COVID-19**

Since March 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The Company has continued to trade throughout the pandemic with measures put in place, as required, to minimise the risks of business interruption.

There are no other material exposures of the Company relating to price risk, credit risk, liquidity risk and cash flow risk which is material for the assessment of the assets, liabilities, financial position and profit of the Company.

**Future developments**

The Company is to continue to promote the use of FeLT® intellectual property for customers in industrial applications and do not expect any development in the Company's business in the coming year which is significantly different from its present activities.

**Qualifying third party indemnity provisions**

The Company maintained through the year, and at the date of approval of the financial statements, liability insurance for its directors and officers. This is a qualifying third party indemnity provision for the purpose of the Companies Act 2006.

---

**Borchers Additives (UK) Limited**

---

**Directors' Report (continued)**  
**For the Period Ended 30 November 2020**

---

**Going concern**

The financial statements have been prepared on a going concern basis. The directors have concluded that this is an appropriate basis as the Company has sufficient cash and current assets to meet its liabilities as it falls due for the foreseeable future, and it is expected that the Company will continue to be cash generative and profitable. At the balance sheet date, the Company had cash of £91,243 (2019: £287,855) and net current assets of £1,543,854 (2019: £1,092,542).

However, whilst the Company expects to be cash generative in the next 12 months, it is reliant operational on other Group companies so the directors of the Company have also obtained assurance from Milliken Holdings Luxembourg SARL that it will be able to provide financial support to the Company if required, for a period of at least 12 months from the date of approval of the financial statements.

**Disclosure of information to auditor**

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

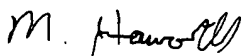
**Auditor**

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

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 11/8/2021 and signed on its behalf.



**M J Haworth**  
Director



---

## Independent Auditor's Report to the Members of Borchers Additives (UK) Limited

---

### Opinion

We have audited the financial statements of Borchers Additives (UK) Limited (the 'Company') for the period ended 30 November 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 November 2020 and of its profit for the period 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 the provisions available for small entities, in the circumstances set out in note 2.2 to the financial statements, 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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and COVID-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



---

**Independent Auditor's Report to the Members of Borchers Additives (UK) Limited (continued)**

---

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.

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

**Other information**

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether 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 this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.



---

## **Independent Auditor's Report to the Members of Borchers Additives (UK) Limited (continued)**

---

### **Matter on which we are required to report under the Companies Act 2006**

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.

### **Matters on which we are required to report by exception**

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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

### **Responsibilities of directors for the financial statements**

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Auditor's Report.



---

## Independent Auditor's Report to the Members of Borchers Additives (UK) Limited (continued)

---

### Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company, and the industry in which it operates. We determined the Companies Act 2006 and FRS 102 to be the most significant laws and regulations to the entity. We enquired of management whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected fraud. We corroborated the results of our enquiries to supporting documentation such as board minute reviews. From the procedures performed we did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
  - evaluation of the processes and controls established to address the risks related to irregularities and fraud;
  - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
  - identifying and testing related party transactions.
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
  - the Company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement and
  - the Company's control environment including the adequacy of procedures for authorisation of transactions.



**Independent Auditor's Report to the Members of Borchers Additives (UK) Limited (continued)**

---

**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.

*Grant Thornton UK LLP*

Stuart Muskett  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Manchester  
Date: 11/8/2021

---

**Borchers Additives (UK) Limited**

---

**Statement of Comprehensive Income  
For the Period Ended 30 November 2020**

---

	Note	Period ended 30 November 2020 £	31 December 2019 £
Turnover	4	2,896,953	1,072,453
<b>Gross profit</b>		<u>2,896,953</u>	<u>1,072,453</u>
Administrative expenses		(2,675,022)	(1,069,988)
<b>Operating profit</b>	5	<u>221,931</u>	<u>2,465</u>
Interest receivable and similar income	9	-	7,934
<b>Profit before tax</b>		<u>221,931</u>	<u>10,399</u>
Tax on profit	9	(42,166)	-
<b>Profit for the financial period</b>		<u><u>179,765</u></u>	<u><u>10,399</u></u>
 <b>Total comprehensive income for the period</b>		 <u><u>179,765</u></u>	 <u><u>10,399</u></u>

The notes on pages 12 to 23 form part of these financial statements.

**Borchers Additives (UK) Limited**  
Registered number:10549942

**Balance Sheet**  
**As at 30 November 2020**

	Note	30 November 2020 £	31 December 2019 £
<b>Fixed assets</b>			
Intangible assets	10	1,811,715	2,083,262
Investments	11	2,946,238	2,946,238
		<u>4,757,953</u>	<u>5,029,500</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	12	1,786,913	953,395
Cash at bank and in hand	13	91,243	287,855
		<u>1,878,156</u>	<u>1,241,250</u>
Creditors: amounts falling due within one year	14	(334,302)	(148,708)
<b>Net current assets</b>		<u>1,543,854</u>	<u>1,092,542</u>
<b>Total assets less current liabilities</b>		<u>6,301,807</u>	<u>6,122,042</u>
<b>Net assets</b>		<u><u>6,301,807</u></u>	<u><u>6,122,042</u></u>
<b>Capital and reserves</b>			
Called up share capital	15	3,511,002	3,511,002
Share premium account		2,713,815	2,713,815
Profit and loss account		76,990	(102,775)
		<u>6,301,807</u>	<u>6,122,042</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 11/8/2021

*M. Haworth*

**M J Haworth**  
Director

The notes on pages 12 to 23 form part of these financial statements.

**Borchers Additives (UK) Limited**


---

**Statement of Changes in Equity**  
**For the Period Ended 30 November 2020**


---

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2020	3,511,002	2,713,815	(102,775)	6,122,042
Profit for the period	-	-	179,765	179,765
<b>At 30 November 2020</b>	<b>3,511,002</b>	<b>2,713,815</b>	<b>76,990</b>	<b>6,301,807</b>

---

**Statement of Changes in Equity**  
**For the Period Ended 31 December 2019**


---

	Called up share capital £	Share premium account £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2019	1	-	2,713,816	(113,174)	2,600,643
Profit for the year	-	-	-	10,399	10,399
New shares issued on February 12, 2019	1	2,713,815	(2,713,816)	-	-
New shares issued on February 26, 2019	3,511,000	-	-	-	3,511,000
<b>At 31 December 2019</b>	<b>3,511,002</b>	<b>2,713,815</b>	<b>-</b>	<b>(102,775)</b>	<b>6,122,042</b>

The notes on pages 12 to 23 form part of these financial statements.

---

**Borchers Additives (UK) Limited**

---

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**1. General information**

Borchers Additives (UK) Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at Beech Hill Plant, Gidlow Lane, Wigan, WN6 8RN.

Its company registration number is 10549942. The principal activity of the Company during the year consisted of promoting the use of FeLT® intellectual property and development of chemical catalysts, activators and accelerators for customers in industrial applications.

**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 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Milliken Holdings Luxembourg SARL as at 30 November 2020 and these financial statements may be obtained from Companies House.

---

## Borchers Additives (UK) Limited

---

### Notes to the Financial Statements For the Period Ended 30 November 2020

---

## 2. Accounting policies (continued)

### 2.3 Going concern

The financial statements have been prepared on a going concern basis. The directors have concluded that this is an appropriate basis as the Company has sufficient cash and current assets to meet its liabilities as it falls due for the foreseeable future, and it is expected that the Company will continue to be cash generative and profitable. At the balance sheet date, the Company had cash of £91,243 (2019: £287,855) and net current assets of £1,543,854 (2019: £1,092,542).

However, whilst the Company expects to be cash generative in the next 12 months, it is reliant operational on other Group companies so the directors of the Company have also obtained assurance from Milliken Holdings Luxembourg SARL that it will be able to provide financial support to the Company if required, for a period of at least 12 months from the date of approval of the financial statements.

### 2.4 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 the Statement of Comprehensive Income within 'other operating income'.

### 2.5 Revenue

The Company derives its revenue by charging a commission to the sales made by the wider group's European and US companies and through recharge of cost for services.

#### *Commission*

In general the margin is charged once sales are made by the group companies. Revenue from the markup is only recognised when costs are incurred and services provided.

#### *Royalty revenue*

Royalty revenue derived from holding the IP related to the Company's Borchers ® Oxy Coat product line. The Company recognises a 5% revenue royalty for all sales to external customers of Borchers Germany and Borchers Americas.

---

**Borchers Additives (UK) Limited**

---

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**2. Accounting policies (continued)****2.6 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

**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 Taxation**

Tax is recognised in the Statement of Comprehensive Income 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.

**2.9 Intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**2.10 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**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.

---

**Borchers Additives (UK) Limited**

---

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**2. Accounting policies (continued)****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.

**2.14 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

---

**Borchers Additives (UK) Limited**

---

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**2. Accounting policies (continued)****2.14 Financial instruments (continued)**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the Statement of Comprehensive Income in finance costs or income as appropriate. The Company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

In the application of the Company's accounting policies, described in note 2, 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.

The directors do not consider there are critical judgements, other than those involving estimation uncertainty.

**Key sources of estimation uncertainty***Useful economic lives of intangibles*

The useful economic lives of intangible assets including goodwill, would have been appropriate based on assessment on acquisition and subsequent reviews for impairment.

---

**Borchers Additives (UK) Limited**

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**4. Turnover**

An analysis of turnover by class of business is as follows:

	Period ended 30 November 2020 £	31 December 2019 £
Sales	<u>2,896,953</u>	<u>1,072,453</u>

Analysis of turnover by country of destination:

	Period ended 30 November 2020 £	31 December 2019 £
Rest of Europe	505,910	420,896
Rest of the world	<u>2,391,043</u>	<u>651,557</u>

**5. Operating profit**

The operating profit is stated after charging:

	Period ended 30 November 2020 £	31 December 2019 £
Amortisation - Intangibles	271,547	296,233
Exchange differences	<u>8,826</u>	<u>10,299</u>

**6. Auditor's remuneration**

**Fees payable to the Company's auditor and its associates in respect of:**

Fees payable to the Company's auditors and its associates for the audit of the Company's annual financial statements	11,000	11,000
Fees in relation to other audit services	<u>2,000</u>	<u>9,000</u>

---

**Borchers Additives (UK) Limited**

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**7. Employees**

	Period ended 30 November 2020 £	31 December 2019 £
Wages and salaries	809,156	404,341
Social security costs	259,064	45,871
Cost of defined contribution scheme	50,807	32,769
	<u>1,119,027</u>	<u>482,981</u>

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

	Period ended 30 November 2020 No.	31 December 2019 No.
Management	2	2
Sales	1	1
	<u>3</u>	<u>3</u>

**8. Directors' remuneration**

	Period ended 30 November 2020 £	31 December 2019 £
Directors' emoluments	11,000	164,459
Company contributions to defined contribution pension schemes	886	11,537
	<u>11,886</u>	<u>175,996</u>

During the year retirement benefits were accruing to Nil directors (2019: 1) in respect of defined contribution pension schemes.

---

**Borchers Additives (UK) Limited**

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**9. Taxation**

	Period ended 30 November 2020 £	31 December 2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	42,166	-
<b>Total current tax</b>	<u>42,166</u>	<u>-</u>
<b>Taxation on profit on ordinary activities</b>	<u>42,166</u>	<u>-</u>

**Factors affecting tax charge for the period/year**

The tax assessed for the period/year is the same as (2019: *lower than*) the standard rate of corporation tax in the UK of 19% (2019: 19%). The differences are explained below:

	Period ended 30 November 2020 £	31 December 2019 £
Profit on ordinary activities before tax	221,931	10,399
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	42,166	1,976
<b>Effects of:</b>		
Unrelieved tax losses carried forward	-	(1,976)
<b>Total tax charge for the period/year</b>	<u>42,166</u>	<u>-</u>

---

**Borchers Additives (UK) Limited**

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**9. Taxation (continued)**

**Factors that may affect future tax charges**

The standard rate of UK corporation tax reduced from 20% to 19% on 1 April 2017. The Finance (No.2) Act 2017 received Royal Assent on 16 November 2017 which decided to reduce the rate further to 17% from 1 April 2020. However, as per the budget announced on 11 March 2020, it was decided to maintain the UK corporation tax rate at 19%. In the budget on 11 March 2020, the Chancellor of the Exchequer confirmed that the UK corporation tax rate would remain at 19% as of 1 April 2020 and would no longer reduce to 17%. Given this reduction was not substantively enacted at the balance sheet date, the deferred tax asset continues to be recognised at 17%.

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% has not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

**10. Intangible assets**

	<b>Patents £</b>
<b>Cost</b>	
At 1 January 2020	2,962,335
At 30 November 2020	<u>2,962,335</u>
<b>Amortisation</b>	
At 1 January 2020	879,073
Charge for the period	271,547
At 30 November 2020	<u>1,150,620</u>
<b>Net book value</b>	
At 30 November 2020	<u>1,811,715</u>
At 31 December 2019	<u>2,083,262</u>

---

**Borchers Additives (UK) Limited**

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**11. Fixed asset investments**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2020	2,946,238
At 30 November 2020	<u>2,946,238</u>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Borchers Catalyst (UK) Limited	Beech Hill Plant, Gidlow Lane, Wigan, England, WN6 8RN	Ordinary	100%

The principal activity of Borchers Catalyst (UK) Limited is the development of chemical catalysts, activators and accelerators for customers in industrial applications.

**12. Debtors**

	30 November 2020 £	31 December 2019 £
Amounts owed by group undertakings	1,781,576	953,024
Other debtors	5,337	371
	<u>1,786,913</u>	<u>953,395</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**13. Cash and cash equivalents**

	30 November 2020 £	31 December 2019 £
Cash at bank and in hand	91,243	287,855

---

**Borchers Additives (UK) Limited**

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**14. Creditors: Amounts falling due within one year**

	<b>30 November 2020 £</b>	<i>31 December 2019 £</i>
Trade creditors	22,192	863
Amounts owed to group undertakings	38,376	64,400
Corporation tax	42,166	-
Accruals and deferred income	231,568	83,445
	<u><b>334,302</b></u>	<u><i>148,708</i></u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

**15. Share capital**

	<b>30 November 2020 £</b>	<i>31 December 2019 £</i>
<b>Allotted, called up and fully paid</b>		
3,511,002 (2019: 1) Ordinary share of £1.00 each	3,511,002	1
Issued during the year	-	3,511,001
	<u><b>3,511,002</b></u>	<u><i>3,511,002</i></u>

The ordinary shares are non redeemable and hold full rights in respect of voting and entitle the holder to full participation in respect of equity in the event of a winding up of the Company. The holders of the shares are entitled to receive dividends as declared from time to time.

**16. Reserves**

**Share premium account**

Includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

**Other reserves**

The other reserves include the contribution made by the immediate parent company.

**Profit and loss account**

Includes all current & prior periods retained profits & losses.

---

**Borchers Additives (UK) Limited**

---

**Notes to the Financial Statements  
For the Period Ended 30 November 2020**

---

**17. 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 £50,807 (2019: £32,769). Contributions totalling £Nil (2019: £Nil) were payable to the fund at the balance sheet date and are included in creditors.

**18. Related party transactions**

The Company has taken advantage of the exemption in FRS 102.33.1A Related Parties Transactions for standalone financial statements, not to disclose transactions with wholly owned subsidiary undertakings of the Company consolidated within the Group.

**19. Controlling party**

At the year end, the Company's immediate parent company was Milliken Industrials Limited, which is incorporated in the United Kingdom.

As of 30 November 2020 the ultimate parent company and controlling party was Milliken & Company, a company incorporated in the United States of America.

On January 28 2020, the Company was acquired by Milliken & Company and subsequently Milliken Industrials Limited became the Company's immediate parent.

The smallest group of which Borchers Additives (UK) Limited is a member, and for which group financial statements are drawn up, is that headed up by Milliken Holding Luxembourg SARL in Luxembourg.

The largest group of which Borchers Additives (UK) Limited is a member, and for which group financial statements are drawn up is that headed up by Milliken and Company in the USA.