

REGISTERED NUMBER: SC157459 (Scotland)

Strategic Report, Report of the Directors and
Financial Statements For The Year Ended 31 December 2022

for

CASTLE CHEMICALS LIMITED



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For The Year Ended 31 December 2022

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CASTLE CHEMICALS LIMITED

Company Information
For The Year Ended 31 December 2022

DIRECTORS:

A J McCann
J Muff
Mrs J J McCann
Mrs S Muff

SECRETARY:

REGISTERED OFFICE:

4th floor
115 George Street
Edinburgh
Lothian
EH2 4JN

REGISTERED NUMBER:

SC157459 (Scotland)

SENIOR STATUTORY AUDITOR: Steven John Collings FCCA

AUDITORS:

Leavitt Walmsley Associates Limited
Chartered Certified Accountants and
Statutory Auditors
8 Eastway
Sale
Cheshire
M33 4DX

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Strategic Report
For The Year Ended 31 December 2022

The directors present their strategic report for the year ended 31 December 2022.

REVIEW OF BUSINESS

The directors are satisfied with the company's performance during the reporting period.

The company continues to operate as a distributor for a range of chemical products. During 2022, the business performance was affected by several global factors which affected supply chain. Due to close co-operation with its key suppliers, the company was able to supply additional materials into key markets.

A direct result of increased volumes led to significant improvement in margins achieved across a range of products. Details of the company's revenue is shown in note 3 which shows a significant increase. The increase in turnover was driven by significant price increases as well as increased volumes. As a distributor, we were forced to carry extra stock and fund increased costs of credit on more expensive materials which then resulted in a significant increase in borrowing facilities.

The directors anticipate results for 2023 will reflect a return to historical performances as supply chain issues ease as well as significant improvement in logistical performance.

Operating profit for the year was £3.1m (2021: £681k). The directors are satisfied with the results given the significant uncertainties that the business faced during 2022.

The directors are confident the balance sheet position will continue to show improvements during the 2023 financial year. Highlights of the results for 2022 show reserves increasing to £3.6m from £1.4m in 2021.

PRINCIPAL RISKS AND UNCERTAINTIES

The directors of Castle Chemicals Ltd have identified the following risks and uncertainties in its business model:

Financial risk management

Foreign exchange risk arises when the company enters into transactions denominated in a foreign currency other than its functional currency. The company is predominantly exposed to currency risk on purchases made in US Dollars and Euro and sales in Sterling. The company actively strives to buy and sell in the same currency in an attempt to mitigate its exposure to risk.

Customer profile

The company currently has a high dependency on two industrial sectors in the rubber industry, although this issue is being addressed as part of the medium-term strategical plan which the directors keep under constant review. In addition, the company operates a rolling budget which is updated monthly against actual figures and this helps to predict any significant variations in cashflow against planned outturn.

Credit risk

The company works hard to maintain close relationships with both their customers and suppliers such that all parties can agree on credit terms enabling successful liquidity management. The company also has credit insurance.

Interest rate risk

The company is exposed to interest rate risk on its borrowings. The company has a policy of actively managing its interest rate exposure through strict compliance with the terms of its borrowing facilities. Borrowing levels are reviewed by the board on a monthly basis and the company will always ensure that borrowing is kept within the agreed terms.

Strategic Report
For The Year Ended 31 December 2022

KEY PERFORMANCE INDICATORS

Summary financial statement information, extracted from the accompanying financial statements, is as follows:

| | |
|--------------------|---------------------|
| Revenue | £58m (2021: £33m) |
| Gross profit | £4.7m (2021: £1.6m) |
| Operating profit | £3.1m (2021: £681k) |
| Pre-tax profit | £3.1m (2021: £678k) |
| Net current assets | £4.0m (2021: £1.9m) |
| Net assets | £3.6m (2021: £1.4m) |
| Free cash flow | £1.8m (2021: £1.6m) |

Key performance indicators (KPIs) of the business include revenue, gross margins and operating profit. These KPIs are selected as 'key' on the basis that the company operates a low gross profit margin and the directors strive to maintain margins as high as possible in order to preserve profit. Operating profit is also a KPI on the grounds that this is an indicator of business performance, whereas profit before tax may include exceptional items.

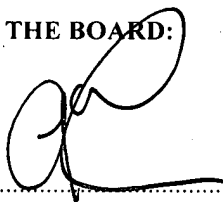
The company produces monthly management information which are compared against budgeted information. Any significant variances are investigated.

FUTURE DEVELOPMENTS

The company has secured competitive pricing for key materials and has mitigated exposure to logistical and product price increases via a formula pricing matrix. This will ensure the company maintains its margins on key products.

Management continue to update its forecasts in line with customer demands. Management are looking to develop further distribution agreements with new partners and attendance at key trade shows are taking place within the market sectors which are the main focus of the business during 2023.

ON BEHALF OF THE BOARD:



A J McCann - Director

Date: 21 JUNE 2023

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Report of the Directors
For The Year Ended 31 December 2022

The directors present their report with the financial statements of the company for the year-ended 31 December 2021.

The review of the business, principal risks and uncertainties, key performance indicators and future developments are not shown in the Directors' Report as they are shown in the Strategic Report in accordance with s414C(11) of the Companies Act 2006.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the supply of high quality performance chemical additives to the rubber, paint, surface coatings, textile and adhesive industries.

DIVIDENDS

Interim dividends per share were paid during the year as follows:

| | |
|---------------|--------------|
| Ordinary A £1 | - £626.11764 |
| Ordinary C £1 | - £264.70584 |
| Ordinary D £1 | - £1059.9411 |
| Ordinary E £1 | - £1045.9411 |

The total distribution of dividends for the year ended 31 December 2022 will be £203,776.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2022 to the date of this report.

A J McCann
J Muff
Mrs J J McCann
Mrs S Muff

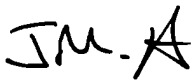
STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Leavitt Walmsley Associates Limited, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:



.....
J Muff - Director

Date: 21 JUNE 2023.....

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Statement of Directors' Responsibilities
For The Year Ended 31 December 2022

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements 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.

Report of the Independent Auditors to the Members of
Castle Chemicals Limited

Opinion

We have audited the financial statements of Castle Chemicals Limited (the 'company') for the year ended 31 December 2022 which comprise the Profit and Loss Account, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 31 December 2022 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report, the Report of the Directors and the Statement of Directors' Responsibilities, but does not include the financial statements and our Report of the Auditors 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 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

Report of the Independent Auditors to the Members of
Castle Chemicals Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 Statement of Directors' Responsibilities set out on page five, 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 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.

Report of the Independent Auditors to the Members of
Castle Chemicals Limited

Auditors' 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 a Report of the Auditors 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.

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates, and considered the risks of acts by the company which were contrary to applicable laws and regulations, including fraud. We designed our audit procedures to respond to the assessed risks, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve more sophisticated and deliberate concealment, such as through forgery or intentional misrepresentations or via collusion. We recognised the risks arising from fraud could arise from two sources:

- manipulation of weaknesses in the system of internal control; and
- management override of the system of internal control.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including (but not limited to), the Companies Act 2006 and UK tax legislation as well as fire regulations and environmental pollution. Our tests included agreeing the financial statement disclosures to underlying supporting documentation, enquiries with management and reviews of correspondence. We paid particular attention to legal correspondence which may indicate a breach of laws and regulations.

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 reflected in the financial statements, the less likely we would become aware of it.

During the course of our audit, we did not identify any key audit matters relating to irregularities, including fraud.

As in all our audits, we also addressed the risk of management override of internal controls (as noted above), including testing journals and evaluating whether there was evidence of bias by the directors which represented a risk of material misstatement due to fraud.

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 of the Auditors to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Report of the Auditors. However, future events or conditions may cause the company to cease to continue as a going concern.

Report of the Independent Auditors to the Members of
Castle Chemicals Limited

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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 a Report of the Auditors 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.



Steven John Collings FCCA (Senior Statutory Auditor)
for and on behalf of Leavitt Walmsley Associates Limited
Chartered Certified Accountants and
Statutory Auditors
8 Eastway
Sale
Cheshire
M33 4DX

Date: 21 JUNE 2023

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Profit and Loss Account
For The Year Ended 31 December 2022

| | Notes | 31.12.22 £ | 31.12.21 £ |
|---------------------------------------|-------|---------------|---------------|
| TURNOVER | 5 | 58,044,237 | 33,342,883 |
| Cost of sales | | (53,365,339) | (31,757,886) |
| GROSS PROFIT | | 4,678,898 | 1,584,997 |
| Administrative expenses | | (1,571,108) | (905,023) |
| | | 3,107,790 | 679,974 |
| Other operating income | | 2,368 | 880 |
| OPERATING PROFIT | 7 | 3,110,158 | 680,854 |
| Interest payable and similar expenses | 9 | (34,602) | (3,230) |
| PROFIT BEFORE TAXATION | | 3,075,556 | 677,624 |
| Tax on profit | 10 | (594,022) | (145,588) |
| PROFIT FOR THE FINANCIAL YEAR | | 2,481,534 | 532,036 |

The notes form part of these financial statements

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Other Comprehensive Income
For The Year Ended 31 December 2022

| | Notes | 31.12.22 £ | 31.12.21 £ |
|--|-------|------------------|----------------|
| PROFIT FOR THE YEAR | | 2,481,534 | 532,036 |
| OTHER COMPREHENSIVE INCOME | | - | - |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | | <u>2,481,534</u> | <u>532,036</u> |

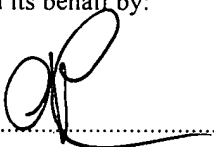
The notes form part of these financial statements

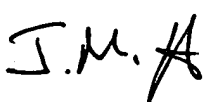
CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Balance Sheet
31 December 2022

| | Notes | 31.12.22 £ | £ | 31.12.21 £ | £ |
|--|-------|-------------------|------------------|-------------------|------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 12 | | 10,247 | | 8,978 |
| Investments | 13 | | 85 | | 85 |
| | | | <u>10,332</u> | | <u>9,063</u> |
| CURRENT ASSETS | | | | | |
| Stocks | 14 | 8,738,050 | | 12,765,924 | |
| Debtors | 15 | 15,082,682 | | 8,928,714 | |
| Cash at bank | | <u>1,843,153</u> | | <u>1,564,700</u> | |
| | | 25,663,885 | | 23,259,338 | |
| CREDITORS | | | | | |
| Amounts falling due within one year | 16 | <u>21,598,744</u> | | <u>21,323,248</u> | |
| NET CURRENT ASSETS | | | <u>4,065,141</u> | | <u>1,936,090</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | | 4,075,473 | | 1,945,153 |
| CREDITORS | | | | | |
| Amounts falling due after more than one year | 17 | | (437,500) | | (587,500) |
| PROVISIONS FOR LIABILITIES | 22 | | (2,562) | | - |
| NET ASSETS | | | <u>3,635,411</u> | | <u>1,357,653</u> |
| CAPITAL AND RESERVES | | | | | |
| Called up share capital | 23 | | 272 | | 272 |
| Capital redemption reserve | | | 34 | | 34 |
| Retained earnings | | | <u>3,635,105</u> | | <u>1,357,347</u> |
| SHAREHOLDERS' FUNDS | | | <u>3,635,411</u> | | <u>1,357,653</u> |

The financial statements were approved by the Board of Directors and authorised for issue on 21 JUNE 2023 and were signed on its behalf by:


.....
A J McCann - Director


.....
J Muff - Director

The notes form part of these financial statements

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Statement of Changes in Equity
For The Year Ended 31 December 2022

| | Called up share capital £ | Retained earnings £ | Capital redemption reserve £ | Total equity £ |
|------------------------------------|------------------------------------|---------------------------|---------------------------------------|----------------------|
| Balance at 1 January 2021 | 272 | 1,046,987 | 34 | 1,047,293 |
| Changes in equity | | | | |
| Dividends | - | (221,676) | - | (221,676) |
| Total comprehensive income | - | 532,036 | - | 532,036 |
| Balance at 31 December 2021 | 272 | 1,357,347 | 34 | 1,357,653 |
| Changes in equity | | | | |
| Dividends | - | (203,776) | - | (203,776) |
| Total comprehensive income | - | 2,481,534 | - | 2,481,534 |
| Balance at 31 December 2022 | 272 | 3,635,105 | 34 | 3,635,411 |

The notes form part of these financial statements

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Cash Flow Statement
For The Year Ended 31 December 2022

| | Notes | 31.12.22 £ | 31.12.21 £ |
|---|-------|---------------------------|---------------------------|
| Cash flows from operating activities | | | |
| Cash generated from operations | 1 | (3,060,226) | 1,072,337 |
| Interest paid | | (34,602) | (3,230) |
| Tax paid | | (130,905) | (172,327) |
| Net cash from operating activities | | <u>(3,225,733)</u> | <u>896,780</u> |
| Cash flows from investing activities | | | |
| Purchase of tangible fixed assets | | <u>(4,611)</u> | <u>(2,650)</u> |
| Net cash from investing activities | | <u>(4,611)</u> | <u>(2,650)</u> |
| Cash flows from financing activities | | | |
| Loan repayments in year | | (150,000) | (213,732) |
| Amount withdrawn by directors | | (60,000) | - |
| Equity dividends paid | | <u>(203,776)</u> | <u>(221,676)</u> |
| Net cash from financing activities | | <u>(413,776)</u> | <u>(435,408)</u> |
| (Decrease)/increase in cash and cash equivalents | | <u>(3,644,120)</u> | <u>458,722</u> |
| Cash and cash equivalents at beginning of year | 2 | <u>(4,395,206)</u> | <u>(4,853,928)</u> |
| Cash and cash equivalents at end of year | 2 | <u><u>(8,039,326)</u></u> | <u><u>(4,395,206)</u></u> |

The notes form part of these financial statements

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Cash Flow Statement
For The Year Ended 31 December 2022

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

| | 31.12.22 | 31.12.21 |
|--|--------------------|------------------|
| | £ | £ |
| Profit before taxation | 3,075,556 | 677,624 |
| Depreciation charges | 3,342 | 4,600 |
| Finance costs | 34,602 | 3,230 |
| | <hr/> | <hr/> |
| | 3,113,500 | 685,454 |
| Decrease/(increase) in stocks | 4,027,874 | (9,883,023) |
| Increase in trade and other debtors | (6,073,719) | (140,857) |
| (Decrease)/increase in trade and other creditors | (4,127,881) | 10,410,763 |
| | <hr/> | <hr/> |
| Cash generated from operations | (3,060,226) | 1,072,337 |

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2022

| | 31.12.22 | 1.1.22 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Cash and cash equivalents | 1,843,153 | 1,564,700 |
| Bank overdrafts | (9,882,479) | (5,959,906) |
| | <hr/> | <hr/> |
| | (8,039,326) | (4,395,206) |

Year ended 31 December 2021

| | 31.12.21 | 1.1.21 |
|---------------------------|-------------|-------------|
| | £ | £ |
| Cash and cash equivalents | 1,564,700 | 1,179,537 |
| Bank overdrafts | (5,959,906) | (6,033,465) |
| | <hr/> | <hr/> |
| | (4,395,206) | (4,853,928) |

The notes form part of these financial statements

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Cash Flow Statement
For The Year Ended 31 December 2022

3. ANALYSIS OF CHANGES IN NET DEBT

| | At 1.1.22 £ | Cash flow £ | At 31.12.22 £ |
|---------------------------------|---------------------------|---------------------------|---------------------------|
| Net cash | | | |
| Cash at bank | 1,564,700 | 278,453 | 1,843,153 |
| Bank overdrafts | (5,959,906) | (3,922,573) | (9,882,479) |
| | <u>(4,395,206)</u> | <u>(3,644,120)</u> | <u>(8,039,326)</u> |
| Debt | | | |
| Debts falling due within 1 year | (150,000) | - | (150,000) |
| Debts falling due after 1 year | (587,500) | 150,000 | (437,500) |
| | <u>(737,500)</u> | <u>150,000</u> | <u>(587,500)</u> |
| Total | <u><u>(5,132,706)</u></u> | <u><u>(3,494,120)</u></u> | <u><u>(8,626,826)</u></u> |

The notes form part of these financial statements

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Financial Statements
For The Year Ended 31 December 2022

1. GOING CONCERN

The aftermath of Covid-19 restrictions and the subsequent war in Ukraine was immediately followed by increasing inflation that has had a consequential knock-on effect to cost prices. The company is able to maintain adequate levels of working capital and has sufficient levels of funding in place to ensure continuity of supplies and business.

After reviewing the company's budgets and management accounts, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore adopts the going concern basis of accounting in the preparation of its financial statements.

2. STATUTORY INFORMATION

Castle Chemicals Limited is a private company, limited by shares, registered in Scotland. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

The company's trading office is:

Gateway House
Styal Road
Heald Green
Manchester M22 5WY

3. STATEMENT OF COMPLIANCE

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

4. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention. The company's functional and presentation currency is GBP. Monetary amounts in these financial statements are rounded to the nearest £.

Preparation of consolidated financial statements

The financial statements contain information about Castle Chemicals Limited as an individual company and do not contain consolidated financial information as the parent of a group. The parent's subsidiary is deemed to be immaterial to the parent and therefore, in accordance with FRS 102, paragraph 9.9A and s405(2), Companies Act 2006 the subsidiary has been excluded from consolidation as its inclusion is not material for the purposes of giving a true and fair view.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

4. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in Note 4, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

Critical accounting judgements include the following:

Stock

The terms under which the company is responsible for stock being shipped from China changed during the year to 31 December 2021. The risks and rewards incidental to ownership of the stock pass from the supplier to the company on dispatch of the goods. Previously, risks and rewards incidental to ownership of goods were retained by the supplier until such time as the goods were received by the company. The consequence of this is that stock which is 'on the water' must be accounted for on dispatch rather than on receipt.

The company has been able to identify the value of stocks which were in transit in the year to 31 December 2022 from the supplier in question and these have been measured in accordance with FRS 102, Section 13 'Inventories' at the lower of cost and estimated selling price less costs to complete and sell.

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are as follows:

Stock

Estimated selling prices, less further costs expected to be incurred to completion and disposal are based on historic experiences, which are derived from unobservable market prices.

Leases

Determination of whether lease arrangements entered into by the company are operating leases or finance leases depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease-by-lease basis.

Turnover

Turnover is measured at the fair value of the consideration received or receivable and represents invoiced amounts. Turnover is reduced for estimated customer returns, rebates and other similar allowances and is stated excluding VAT and other sales-related taxes.

The company has processes in place which ensure that revenue is recognised in the correct accounting period, which is usually at the point that the customer has signed for the delivery of goods. At this point, the risks and rewards of ownership of the goods pass to the customer and hence the recognition of revenue takes place.

Amounts paid upfront by customers are treated as deferred income and are not recognised as revenue until such time as the risks and rewards of ownership pass to the customer. This takes place once all contractual and ongoing obligations have been fulfilled and management have no ongoing involvement with the goods.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

4. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

| | |
|--------------------------|-------------------------------|
| Improvements to property | - 33% on cost |
| Fixtures and fittings | - 33% on cost and 20% on cost |

Depreciation is calculated so as to write off the cost of an asset, less its estimated residual value (which is the expected amount that would currently be obtained from disposal of an asset, after deducting the estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life), over the useful economic life of the respect asset in accordance with the above depreciation rates.

Tangible fixed assets are stated at cost, net of depreciation charges and any provision for impairment. Residual values of fixed assets are calculated on prices prevailing at the date of acquisition. Profits or losses on the disposal of fixed assets are included in the calculation of profit for the period.

At each balance sheet date, the company reviews the carrying amounts of its tangible fixed assets to determine whether there is any indication that any items of fixed assets have suffered an impairment loss. If any such indication exists, the recoverable amount of an asset is estimated in order to determine the extent of the impairment loss, if any.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost.

After initial recognition at cost, the investment is measured at cost less impairment. At each reporting date the directors assess whether the investment is showing indicators of impairment. Where there are indicators of impairment, recoverable amount is established and the investment is written down to recoverable amount (where carrying amount exceeds recoverable amount) by way of an impairment loss.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Costs, which include directly attributable costs such as freight and irrecoverable taxes, are based on the method most appropriate to the type of inventory class, but usually on a weighted average cost basis. Overheads are charged to profit or loss as incurred. Estimated selling price is based on the price that an unconnected third party would be prepared to pay in the open market less any costs to be incurred to complete the sale.

When stocks are sold, the carrying amount of those stocks is recognised as an expense in the period in which the related revenue is recognised.

At each balance sheet date, the directors undertake a review of its stock to establish if any stock is slow-moving or has become obsolete. Where any write-downs of stock become necessary so as to reduce the value from cost to estimated selling price less costs to complete and sell, such write-downs are recognised as an expense in profit or loss in the period in which the write-down or loss occurs. Where such write-downs subsequently reverse, the amount of any reversal is recognised as a reduction in the amount of stock recognised as an expense in the period in which the reversal occurs.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Profit and Loss Account, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

4. **ACCOUNTING POLICIES - continued**

Deferred taxation

Deferred tax liabilities are recognised in respect of all timing differences that have arisen, but have not been reversed by the balance sheet date where transactions have occurred that create an obligation to pay more tax in the future. The company recognises deferred tax assets in respect of all deductible timing differences to the extent that it is probable that either taxable profits will be available against which those deductible timing differences can be used or they will be recovered against the reversal of deferred tax liabilities. The carrying value of all deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that either sufficient taxable profits or deferred tax liabilities will be available to allow all, or part, of the asset to be recovered.

Deferred tax assets and deferred tax liabilities are measured using the tax rates and tax laws which have been enacted, or substantively, enacted, by the balance sheet date that are expected to apply to the reversal of the timing difference.

Amounts of deferred tax are generally recognised in profit or loss, except when they relate to items which are recognised in other comprehensive income or directly in equity and in such cases the amounts are also recognised in other comprehensive income or equity as the case may be.

Foreign currencies

Transactions denominated in foreign currencies are recorded in the local currency at actual exchange rates as of the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the year end are reported at the rate of exchange prevailing at the year end. Any gain or loss arising from a change in exchange rates subsequent to the date of the transaction is included as an exchange gain or loss in the profit and loss account.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

4. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are classified and accounted for according to the substance of the contractual arrangement, as either financial assets, liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all liabilities.

Cash and cash equivalents

These comprise cash at bank and other short-term highly liquid bank deposits with an original maturity of three months or less.

Debtors

Debtors do not carry any interest and are stated at their nominal value. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit and loss account when there is objective evidence that the asset is impaired.

Trade creditors

Trade creditors are not interest-bearing and are stated at their nominal value.

Impairment of financial assets

At each balance sheet date, financial assets are reviewed to determine whether there is an indication that an asset may be impaired. Financial assets are considered to be impaired if there is objective evidence that the estimated future cash flows associated with the financial asset has been adversely affected by one, or more, events or conditions.

In respect of trade debtors, objective evidence that a trade debtor, or a group of trade debtors, has become impaired is usually due to an increase in trade debtor days. If a trade debtor, or a group of trade debtors, becomes overdue in excess of agreed credit terms without corroborative evidence that the respective debtor(s) is not experiencing financial difficulty, then the relevant assets are reduced to recoverable amount by way of a specific bad debt provision. Corroborative evidence that a debtor(s) is not experiencing financial difficulty would be where, for example, the company agrees to extended credit terms.

In respect of financial assets which are carried at amortised cost, the amount of the impairment loss is the difference between the asset's carrying amount in the financial statements and the present value of the estimated future cash flows expected to be received by the company. These expected future cash flows are discounted using the asset's original effective interest rate. All amounts in respect of impairment losses are recognised in profit or loss. If, in a subsequent accounting period, the amount of the impairment loss decreases and the decrease can be related objectively to an event which takes place after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit and loss to the extent that the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had no impairment loss been recognised in prior periods.

In respect of financial assets carried at cost, the amount of the impairment loss is the difference between the asset's carrying amount in the financial statements and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. The directors do not consider that any impairment losses recognised in respect of such financial assets will reverse.

Derecognition of financial liabilities

Financial liabilities are derecognised from the balance sheet when they are discharged, expire or cancelled. Ordinarily the company will derecognise a financial liability from the balance sheet when the liability has been appropriately settled.

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

4. ACCOUNTING POLICIES - continued

Employee benefits

Short-term employee benefits are recognised as an expense in the period they are incurred.

The company operates a defined contribution pension scheme and the obligations for contributions are recognised as an expense in the period they are incurred. Differences between contributions payable in the year and those actually paid are recognised as prepayments or accruals in the balance sheet. The assets of the defined contribution pension scheme are held separately from those of the company in an independently administered fund.

5. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

| | 31.12.22 | 31.12.21 |
|-------------------|-------------------|-------------------|
| | £ | £ |
| United Kingdom | 4,384,755 | 5,156,145 |
| Europe | 39,185,721 | 21,322,034 |
| Rest of the world | 14,473,761 | 6,864,704 |
| | <u>58,044,237</u> | <u>33,342,883</u> |

Turnover is recognised in respect of the sale of goods that have been invoiced.

6. EMPLOYEES AND DIRECTORS

| | 31.12.22 | 31.12.21 |
|-----------------------|----------------|----------------|
| | £ | £ |
| Wages and salaries | 377,877 | 339,690 |
| Social security costs | 39,043 | 29,841 |
| Other pension costs | 214,023 | 11,975 |
| | <u>630,943</u> | <u>381,506</u> |

The average number of employees during the year was as follows:

| | 31.12.22 | 31.12.21 |
|----------------------|-----------|-----------|
| Management | 2 | 2 |
| Administration staff | 9 | 10 |
| | <u>11</u> | <u>12</u> |

| | 31.12.22 | 31.12.21 |
|--|----------------|--------------|
| | £ | £ |
| Directors' remuneration | 96,483 | 95,839 |
| Directors' pension contributions to money purchase schemes | 204,045 | 1,140 |
| | <u>204,045</u> | <u>1,140</u> |

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

6. EMPLOYEES AND DIRECTORS - continued

The number of directors to whom retirement benefits were accruing was as follows:

| | | |
|------------------------|----------|----------|
| Money purchase schemes | <u>2</u> | <u>2</u> |
|------------------------|----------|----------|

7. OPERATING PROFIT

The operating profit is stated after charging:

| | | |
|------------------------------|----------------|---------------|
| | 31.12.22 | 31.12.21 |
| | £ | £ |
| Other operating leases | 31,421 | 25,299 |
| Depreciation - owned assets | 3,342 | 4,600 |
| Foreign exchange (gain) loss | <u>318,298</u> | <u>36,971</u> |

8. AUDITORS' REMUNERATION

| | | |
|--|--------------|--------------|
| | 31.12.22 | 31.12.21 |
| | £ | £ |
| Fees payable to the company's auditors for the audit of the company's financial statements | <u>8,000</u> | <u>8,000</u> |

No services were provided pursuant to contingent fee arrangements.

9. INTEREST PAYABLE AND SIMILAR EXPENSES

| | | |
|---------------|---------------|--------------|
| | 31.12.22 | 31.12.21 |
| | £ | £ |
| Finance costs | <u>34,602</u> | <u>3,230</u> |

10. TAXATION

Analysis of the tax charge

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

| | | |
|--------------------|----------------|----------------|
| | 31.12.22 | 31.12.21 |
| | £ | £ |
| Current tax: | | |
| UK corporation tax | 591,460 | 145,588 |
| Deferred tax | <u>2,562</u> | <u>-</u> |
| Tax on profit | <u>594,022</u> | <u>145,588</u> |

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

10. TAXATION - continued

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

| | 31.12.22 | 31.12.21 |
|--|-------------------|-------------------|
| | £ | £ |
| Profit before tax | 3,075,556 | 677,624 |
| | <u> </u> | <u> </u> |
| Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%) | 584,356 | 128,749 |
| Effects of: | | |
| Expenses not deductible for tax purposes | 7,608 | 1,917 |
| Capital allowances in excess of depreciation | (504) | - |
| Depreciation in excess of capital allowances | - | 240 |
| Adjustments to tax charge in respect of previous periods | - | 14,682 |
| Deferred tax movement | 2,562 | - |
| | <u> </u> | <u> </u> |
| Total tax charge | 594,022 | 145,588 |
| | <u> </u> | <u> </u> |

11. DIVIDENDS

| | 31.12.22 | 31.12.21 |
|------------------------------|-------------------|-------------------|
| | £ | £ |
| Ordinary A shares of £1 each | | |
| Ordinary A Final | - | 10,000 |
| Ordinary A Interim | 42,576 | 42,574 |
| Ordinary C shares of £1 each | | |
| Ordinary C Final | - | 9,500 |
| Ordinary C Interim | 18,000 | 18,001 |
| Ordinary D shares of £1 each | | |
| Ordinary D Final | - | 20,000 |
| Ordinary D Interim | 72,076 | 57,576 |
| Ordinary E shares of £1 each | | |
| Ordinary E Final | - | 20,500 |
| Ordinary E Interim | 71,124 | 43,525 |
| | <u> </u> | <u> </u> |
| | 203,776 | 221,676 |
| | <u> </u> | <u> </u> |

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

12. TANGIBLE FIXED ASSETS

| | Improvements to property £ | Fixtures and fittings £ | Totals £ |
|------------------------|-------------------------------------|----------------------------------|-------------|
| COST | | | |
| At 1 January 2022 | 6,447 | 31,662 | 38,109 |
| Additions | - | 4,611 | 4,611 |
| Disposals | - | (19,124) | (19,124) |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2022 | 6,447 | 17,149 | 23,596 |
| | <hr/> | <hr/> | <hr/> |
| DEPRECIATION | | | |
| At 1 January 2022 | 6,447 | 22,684 | 29,131 |
| Charge for year | - | 3,342 | 3,342 |
| Eliminated on disposal | - | (19,124) | (19,124) |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2022 | 6,447 | 6,902 | 13,349 |
| | <hr/> | <hr/> | <hr/> |
| NET BOOK VALUE | | | |
| At 31 December 2022 | - | 10,247 | 10,247 |
| | <hr/> | <hr/> | <hr/> |
| At 31 December 2021 | - | 8,978 | 8,978 |
| | <hr/> | <hr/> | <hr/> |

13. FIXED ASSET INVESTMENTS

| | Shares in group undertakings £ |
|---|---|
| COST | |
| At 1 January 2022 and 31 December 2022 | 85 |
| | <hr/> |
| NET BOOK VALUE | |
| At 31 December 2022 | 85 |
| | <hr/> |
| At 31 December 2021 | 85 |
| | <hr/> |

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Castle Chemicals (Ireland) Ltd

Registered office: 25 Herbert Place, Dublin 2, Ireland

Nature of business: Distribution of rubber products

| | % holding | 31.12.22 £ | 31.12.21 £ |
|--------------------------------|--------------|---------------|---------------|
| Class of shares: | | | |
| Ordinary | 100.00 | | |
| Aggregate capital and reserves | | (6,760) | (9,457) |
| Profit for the year | | 2,593 | 5,651 |
| | | <hr/> | <hr/> |

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

14. STOCKS

| | 31.12.22 | 31.12.21 |
|----------------|-----------|------------|
| | £ | £ |
| Finished goods | 8,738,050 | 12,765,924 |

15. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.22 | 31.12.21 |
|------------------------------------|-------------------|------------------|
| | £ | £ |
| Trade debtors | 14,537,250 | 8,441,563 |
| Amounts owed by group undertakings | - | 5,697 |
| Other debtors | - | 40,553 |
| Directors' current accounts | 349,946 | 289,946 |
| Tax | 105,518 | 85,269 |
| Prepayments | 89,968 | 65,686 |
| | <u>15,082,682</u> | <u>8,928,714</u> |

The directors' current accounts (see note 24) are repayable on demand and interest-free.

16. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 31.12.22 | 31.12.21 |
|---|-------------------|-------------------|
| | £ | £ |
| Bank loans and overdrafts (see note 18) | 10,032,479 | 6,109,906 |
| Trade creditors | 7,650,041 | 4,908,090 |
| Tax | 611,710 | 130,906 |
| Social security and other taxes | 16,193 | 10,644 |
| VAT | 174,196 | 222,793 |
| Other creditors | 16,726 | 92,778 |
| Accrued expenses | 3,097,399 | 9,848,131 |
| | <u>21,598,744</u> | <u>21,323,248</u> |

17. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 31.12.22 | 31.12.21 |
|--------------------------|----------|----------|
| | £ | £ |
| Bank loans (see note 18) | 437,500 | 587,500 |

18. LOANS

An analysis of the maturity of loans is given below:

| | 31.12.22 | 31.12.21 |
|---|-------------------|------------------|
| | £ | £ |
| Amounts falling due within one year or on demand: | | |
| Bank overdrafts | 9,882,479 | 5,959,906 |
| Bank loans | 150,000 | 150,000 |
| | <u>10,032,479</u> | <u>6,109,906</u> |

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

18. LOANS - continued

| | 31.12.22 | 31.12.21 |
|---|----------------|----------------|
| | £ | £ |
| Amounts falling due between two and five years: | | |
| Bank loans - 2-5 years | 437,500 | 587,500 |
| | <u>437,500</u> | <u>587,500</u> |

19. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

| | 31.12.22 | 31.12.21 |
|----------------------------|---------------|---------------|
| | £ | £ |
| Within one year | 21,900 | 21,900 |
| Between one and five years | 21,900 | 43,800 |
| | <u>43,800</u> | <u>65,700</u> |

20. SECURED DEBTS

The following secured debts are included within creditors:

| | 31.12.22 | 31.12.21 |
|-----------------|-------------------|------------------|
| | £ | £ |
| Bank overdrafts | 9,882,479 | 5,959,906 |
| Bank loans | 587,500 | 737,500 |
| | <u>10,469,979</u> | <u>6,697,406</u> |

There is a limited guarantee from Alan McCann and Jeff Muff in favour of HSBC Bank PLC of £125,000.

A floating charge dated 13 December 2019 in favour of HSBC Invoice Finance (UK) Ltd over all the property or undertakings of the company including uncalled capital.

A floating charge dated 2 January 2020 in favour of HSBC UK Bank PLC over all the property or undertakings of the company including uncalled capital.

A charge in favour of HSBC Bank PLC containing a legal assignment of contract monies with a negative pledge.

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

21. FINANCIAL INSTRUMENTS

The company has entered into an invoice discounting agreement with HSBC Invoice Finance. The risks and rewards associated with trade debtors to which this invoice discounting agreement relates remain with the company, hence trade debtors remain on the balance sheet. The company retains the risk of slow- and non-payment which are significant risks. The carrying amount of trade debtors at the balance sheet date is £14,537,250 (2021: £8,441,563).

Financial assets

| | 31.12.22 | 31.12.21 |
|---|------------|------------|
| | £ | £ |
| Financial assets measured at amortised cost | 16,730,350 | 10,342,460 |

Financial liabilities

| | | |
|--|------------|------------|
| Financial liabilities measured at amortised cost | 21,169,761 | 21,546,405 |
|--|------------|------------|

Financial assets measured at amortised cost include debtors, discounting accounts in hand and directors' current account balances.

Financial liabilities measured at amortised cost include creditors, overdrawn discounting account balances, accruals and bank loans.

22. PROVISIONS FOR LIABILITIES

| | 31.12.22 | 31.12.21 |
|-----------------------------|----------|--------------|
| | £ | £ |
| Deferred tax | 2,562 | - |
| | | Deferred tax |
| | | £ |
| Provided during year | | 2,562 |
| Balance at 31 December 2022 | | 2,562 |

23. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

| Number: | Class: | Nominal value: | 31.12.22 | 31.12.21 |
|---------|------------|----------------|----------|----------|
| | | | £ | £ |
| 68 | Ordinary A | £1 | 68 | 68 |
| 68 | Ordinary C | £1 | 68 | 68 |
| 68 | Ordinary D | £1 | 68 | 68 |
| 68 | Ordinary E | £1 | 68 | 68 |
| | | | 272 | 272 |

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

24. DIRECTORS' ADVANCES, CREDITS AND GUARANTEES

The following advances and credits to directors subsisted during the years ended 31 December 2022 and 31 December 2021:

| | 31.12.22 £ | 31.12.21 £ |
|--------------------------------------|----------------|----------------|
| J Muff | | |
| Balance outstanding at start of year | 134,973 | 134,973 |
| Amounts repaid | - | - |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>134,973</u> | <u>134,973</u> |
| A J McCann | | |
| Balance outstanding at start of year | 134,973 | 134,973 |
| Amounts advanced | 60,000 | - |
| Amounts repaid | - | - |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>194,973</u> | <u>134,973</u> |
| Mrs J J McCann | | |
| Balance outstanding at start of year | 10,000 | 10,000 |
| Amounts repaid | - | - |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>10,000</u> | <u>10,000</u> |
| Mrs S Muff | | |
| Balance outstanding at start of year | 10,000 | 10,000 |
| Amounts repaid | - | - |
| Amounts written off | - | - |
| Amounts waived | - | - |
| Balance outstanding at end of year | <u>10,000</u> | <u>10,000</u> |

The Directors loan accounts are included within Debtors: amounts falling due within one year.

In respect of the advances made to the directors, the rate of interest charged by the company on the advances is 0% and no formal conditions exist in relation to the advances and hence the loan accounts are repayable on demand.

During the year no amounts were written off or waived (2021: £nil).

25. RELATED PARTY DISCLOSURES

The company has taken advantage of the exemption in FRS 102, paragraph 33.1A which allows an exemption from disclosing transactions entered into between members of a group which are wholly owned within the group.

CASTLE CHEMICALS LIMITED (REGISTERED NUMBER: SC157459)

Notes to the Financial Statements - continued
For The Year Ended 31 December 2022

Other related parties

Transactions with related parties are carried out on an arm's length basis and concluded under normal commercial terms.

During the year, a total of key management personnel compensation of £494,874 (2021 - £309,662) was paid.

26. ULTIMATE CONTROLLING PARTY

The company is controlled by the directors.