

Report of the Directors and
Financial Statements for the Year Ended 31 March 2020
for
MANCHESTER ORGANICS LIMITED

MANCHESTER ORGANICS LIMITED

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FOR THE YEAR ENDED 31 MARCH 2020

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MANCHESTER ORGANICS LIMITED
Company Information
FOR THE YEAR ENDED 31 MARCH 2020

DIRECTORS:

Mr V P Mafatlal
Mr R R Welling
Mr S J Baird

REGISTERED OFFICE:

The Heath Business & Technical Park
Runcorn
Cheshire
WA7 4QX

REGISTERED NUMBER:

03290939 (England and Wales)

AUDITORS:

Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

BANKERS:

Lloyds Bank Plc
Citymark
150 Fountainbridge
Edinburgh
EH3 9PE

MANCHESTER ORGANICS LIMITED ;

Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2020

The directors present their report with the financial statements of the company for the year ended 31 March 2020.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of research, development, manufacture and supply of speciality chemicals.

DIVIDENDS

The directors propose to declare a final dividend of £Nil (2019: £Nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2019 to the date of this report.

Mr V P Mafatlal

Mr R R Welling

Mr S J Baird

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company's financial instruments comprise cash and liquid resources, various items such as trade debtors, trade creditors etc that arise directly from its operations. It is, and has been throughout the period under review, the company's policy that no trading in financial instruments shall be undertaken. The main risks arising from the company's financial instruments are liquidity risk, credit risk, and market risk.

Liquidity risk

The company has to manage the financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by group company support.

Foreign exchange risk management

Foreign currency transaction exposures arising on internal and external trade flows are not generally hedged. The company's objective is to minimise the exposure of overseas trade to transaction risk by matching local currency income with local currency costs where possible.

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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). 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's and or its parent company's website.

MANCHESTER ORGANICS LIMITED

Report of the Directors
FOR THE YEAR ENDED 31 MARCH 2020


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 ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Butler & Co LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:



Mr S J Baird - Director

29 May 2020

**Report of the Independent Auditors to the Members of
Manchester Organics Limited**

Opinion

We have audited the financial statements of Manchester Organics Limited (the 'company') for the year ended 31 March 2020 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, 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 March 2020 and of its loss 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

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

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

The directors have prepared the financial statements on the going concern basis as they do not intend to liquidate the company or to cease its operations, and as they have concluded that the company's financial position means that this is realistic. They have also concluded that there are no material uncertainties that could have cast significant doubt over its ability to continue as a going concern for at least a year from the date of approval of the financial statements ("The going concern period")

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least a year from the date of approval of the financial statements. In our evaluation of the directors' conclusions, we considered the inherent risks to the company's business model, including the impact of COVID-19, and analysed how those risks might affect the company's financial resources or ability to continue operations over the going concern period. We have nothing to report in these respects.

However, as we cannot predict all future events or conditions and as subsequent events may result in outcomes that are inconsistent with judgements that were reasonable at the time they were made, the absence of reference to a material uncertainty in this auditor's report is not a guarantee that the company will continue in operation.

The impact of uncertainties due to the COVID19 pandemic on our audit

Uncertainties related to the effects of COVID19 are relevant to understanding our audit of the financial statements. All audits assess and challenge the reasonableness of estimates made by the directors, and related disclosures and the appropriateness of the going concern basis of preparation of the financial statements. All of these depend on assessments of the future economic environment and the company's future prospects and performance.

COVID19 is one of the most significant public health, social and economic event at the date of this report. Its effects are subject to unprecedented levels of uncertainty of outcomes, with the full range of possible effects unknown. We applied a standardised firm-wide approach in response to that uncertainty when assessing the company's future prospects and performance. However, no audit should be expected to predict the unknowable factors or all possible future implications for the company and this is particularly the case in relation to COVID19.

**Report of the Independent Auditors to the Members of
Manchester Organics Limited**

Other information

The directors are responsible for the other information. The other information comprises the information in the Report of the Directors, 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 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 Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Directors has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; 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' exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page two, 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.

Auditors' responsibilities for the audit of the financial statements

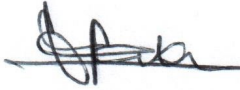
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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.

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

Report of the Independent Auditors to the Members of
Manchester Organics Limited

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.



Raj Patel (Senior Statutory Auditor)
for and on behalf of Butler & Co LLP
Chartered Accountants
& Statutory Auditor
Third Floor
126-134 Baker Street
London
W1U 6UE

29 May 2020

MANCHESTER ORGANICS LIMITED

Income Statement
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
REVENUE	3	4,347,043	4,568,086
Cost of sales		<u>2,750,897</u>	<u>3,034,203</u>
GROSS PROFIT		1,596,146	1,533,883
Administrative expenses		<u>1,593,938</u>	<u>1,787,590</u>
		2,208	(253,707)
Other operating income		<u>-</u>	<u>(2,376)</u>
OPERATING PROFIT/(LOSS)	6	2,208	(256,083)
Interest receivable and similar income		<u>363</u>	<u>555</u>
		2,571	(255,528)
Interest payable and similar expenses	7	<u>11,373</u>	<u>-</u>
LOSS BEFORE TAXATION		(8,802)	(255,528)
Tax on loss	8	<u>2,228</u>	<u>(52,461)</u>
LOSS FOR THE FINANCIAL YEAR		<u><u>(11,030)</u></u>	<u><u>(203,067)</u></u>

The notes form part of these financial statements

MANCHESTER ORGANICS LIMITED

Other Comprehensive Income
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
LOSS FOR THE YEAR		(11,030)	(203,067)
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE LOSS FOR THE YEAR		<u>(11,030)</u>	<u>(203,067)</u>

The notes form part of these financial statements

MANCHESTER ORGANICS LIMITED (REGISTERED NUMBER: 03290939)

Statement of Financial Position
31 MARCH 2020

	Notes	2020 £	2019 £
FIXED ASSETS			
Property, plant and equipment	10	708,196	592,802
CURRENT ASSETS			
Inventories	11	2,333,003	2,104,082
Debtors	12	1,144,689	947,152
Cash at bank and in hand		130,392	164,248
		<u>3,608,084</u>	<u>3,215,482</u>
CREDITORS			
Amounts falling due within one year	13	<u>1,159,695</u>	<u>770,591</u>
NET CURRENT ASSETS		<u>2,448,389</u>	<u>2,444,891</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>3,156,585</u>	<u>3,037,693</u>
CREDITORS			
Amounts falling due after more than one year	14	(105,694)	-
PROVISIONS FOR LIABILITIES	17	<u>(124,066)</u>	<u>(99,838)</u>
NET ASSETS		<u><u>2,926,825</u></u>	<u><u>2,937,855</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	100	100
Share premium	19	54,990	54,990
Retained earnings	19	<u>2,871,735</u>	<u>2,882,765</u>
SHAREHOLDERS' FUNDS		<u><u>2,926,825</u></u>	<u><u>2,937,855</u></u>

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

The financial statements were authorised for issue by the Board of Directors and authorised for issue on 29 May 2020 and were signed on its behalf by:



Mr S J Baird - Director

The notes form part of these financial statements

MANCHESTER ORGANICS LIMITED

Statement of Changes in Equity
FOR THE YEAR ENDED 31 MARCH 2020

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 April 2018	100	3,160,832	54,990	3,215,922
Changes in equity				
Dividends	-	(75,000)	-	(75,000)
Total comprehensive loss	-	(203,067)	-	(203,067)
Balance at 31 March 2019	100	2,882,765	54,990	2,937,855
Changes in equity				
Total comprehensive loss	-	(11,030)	-	(11,030)
Balance at 31 March 2020	100	2,871,735	54,990	2,926,825

The notes form part of these financial statements

MANCHESTER ORGANICS LIMITED

Statement of Cash Flows
FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Cash flows from operating activities			
Cash generated from operations	1	(96,975)	146,353
Interest paid		(11,373)	-
Tax paid		5,213	-
Net cash from operating activities		<u>(103,135)</u>	<u>146,353</u>
 Cash flows from investing activities			
Purchase of tangible fixed assets		(226,320)	(60,052)
Interest received		363	555
Net cash from investing activities		<u>(225,957)</u>	<u>(59,497)</u>
 Cash flows from financing activities			
Bank loans		150,000	-
HP loans		145,236	-
Advance from group company		-	(107,599)
Equity dividends paid		-	(75,000)
Net cash from financing activities		<u>295,236</u>	<u>(182,599)</u>
 Decrease in cash and cash equivalents		<u>(33,856)</u>	<u>(95,743)</u>
Cash and cash equivalents at beginning of year	2	164,248	259,991
 Cash and cash equivalents at end of year	2	<u><u>130,392</u></u>	<u><u>164,248</u></u>

The notes form part of these financial statements

MANCHESTER ORGANICS LIMITED

Notes to the Statement of Cash Flows
FOR THE YEAR ENDED 31 MARCH 2020

1. RECONCILIATION OF LOSS BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS		
	2020	2019
	£	£
Loss before taxation	(8,802)	(255,528)
Depreciation charges	110,927	148,041
Loss on disposal of fixed assets	-	2,376
Finance costs	11,373	-
Finance income	(363)	(555)
	<u>113,135</u>	<u>(105,666)</u>
(Increase)/decrease in inventories	(228,921)	221,540
(Increase)/decrease in trade and other debtors	(180,750)	627,225
Increase/(decrease) in trade and other creditors	<u>199,561</u>	<u>(596,746)</u>
Cash generated from operations	<u><u>(96,975)</u></u>	<u><u>146,353</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

Year ended 31 March 2020

	31/3/20	1/4/19
	£	£
Cash and cash equivalents	<u>130,392</u>	<u>164,248</u>

Year ended 31 March 2019

	31/3/19	1/4/18
	£	£
Cash and cash equivalents	<u>164,248</u>	<u>259,991</u>

3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)

	At 1/4/19	Cash flow	At 31/3/20
	£	£	£
Net cash			
Cash at bank and in hand	164,248	(33,856)	130,392
	<u>164,248</u>	<u>(33,856)</u>	<u>130,392</u>
Debt			
Debts falling due within 1 year	-	(150,000)	(150,000)
	<u>-</u>	<u>(150,000)</u>	<u>(150,000)</u>
Total	<u><u>164,248</u></u>	<u><u>(183,856)</u></u>	<u><u>(19,608)</u></u>

The notes form part of these financial statements

MANCHESTER ORGANICS LIMITED

Notes to the Financial Statements **FOR THE YEAR ENDED 31 MARCH 2020**

1. STATUTORY INFORMATION

Manchester Organics Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' including the provisions of Section 1A, not to disclose related party transactions with wholly owned subsidiaries within the group.

Turnover

Turnover represents net invoiced sales of goods, excluding value added tax.

Revenue is recognised on the sale of goods when the significant risks and rewards of ownership of goods have passed to the buyer and the amount of revenue can be measured reliably. Revenue on goods delivered is recognised when the customer accepts delivery.

Tangible fixed assets

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

Laboratory equipment	- 10%, 20% and 25% on straight line
Fixtures and fittings	- 10% on straight line
Computer equipment	- 20% on straight line

Stocks and work-in-progress

Stocks and work-in-progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Financial instruments

Financial assets and financial liabilities are recognised in the balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank and bank overdrafts which are an integral part of the company's cash management.

Financial liabilities and equity instruments issued by the company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

MANCHESTER ORGANICS LIMITED

Notes to the Financial Statements - continued **FOR THE YEAR ENDED 31 MARCH 2020**

2. ACCOUNTING POLICIES - continued

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

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 statement of financial position date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

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.

Going concern

The company's budgets and projections suggest that the company will be well placed to manage its business risks successfully. The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

Since the financial year end, there are uncertainties relating to COVID19 pandemic which may impact on recoverability of the investments and debtors. No provisions have been made in the financial statements.

3. REVENUE

The revenue and loss before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

	2020	2019
United Kingdom	35.13%	24.45%
Europe	28.27%	40.09%
United States of America	22.20%	14.14%
Rest of the World	14.40%	21.33%
	<u>100.00%</u>	<u>100.00%</u>

MANCHESTER ORGANICS LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2020

4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	1,505,050	1,593,669
Social security costs	88,164	100,156
Other pension costs	35,922	21,397
	<u>1,629,136</u>	<u>1,715,222</u>

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

	2020	2019
Production	18	19
Administration	22	24
	<u>40</u>	<u>43</u>

5. DIRECTORS' EMOLUMENTS

	2020	2019
	£	£
Directors' remuneration	<u>54,223</u>	<u>82,167</u>

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

Money purchase schemes	<u>1</u>	<u>-</u>
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During the year, directors received benefits in kind of £Nil (2019: £Nil) and pension of £3,253 (2019: £1,560).

6. OPERATING PROFIT/(LOSS)

The operating profit (2019 - operating loss) is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	110,926	148,041
Auditors' remuneration	13,800	13,800
Auditors' remuneration for non audit work	2,850	2,975
Foreign exchange differences	<u>(3,867)</u>	<u>1,167</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank loan interest	5,006	-
Other interest	<u>6,367</u>	<u>-</u>
	<u>11,373</u>	<u>-</u>

MANCHESTER ORGANICS LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2020

8. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the loss for the year was as follows:

	2020 £	2019 £
Current tax:		
UK corporation tax	(22,000)	(33,000)
Corporation tax - PYA	-	(5,100)
	<u> </u>	<u> </u>
Total current tax	(22,000)	(38,100)
Deferred tax	24,228	(14,361)
	<u> </u>	<u> </u>
Tax on loss	<u>2,228</u>	<u>(52,461)</u>

Reconciliation of total tax charge/(credit) 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:

	2020 £	2019 £
Loss before tax	<u>(8,802)</u>	<u>(255,528)</u>
Loss multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(1,672)	(48,550)
Effects of:		
Expenses not deductible for tax purposes	60	78
Capital allowances in excess of depreciation	(24,228)	-
Depreciation in excess of capital allowances	-	13,909
Profit or Loss on disposal of tangible fixed assets	-	451
R&D enhanced credits	(17,820)	(26,730)
Other - PYA	-	(5,100)
Deferred tax charge	24,228	(14,361)
Losses c/f	<u>21,660</u>	<u>27,842</u>
Total tax charge/(credit)	<u>2,228</u>	<u>(52,461)</u>

9. DIVIDENDS

	2020 £	2019 £
Ordinary shares of £0.01 each		
Dividends Paid	<u>-</u>	<u>75,000</u>

MANCHESTER ORGANICS LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2020

10. PROPERTY, PLANT AND EQUIPMENT

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
COST				
At 1 April 2019	1,609,258	42,739	95,409	1,747,406
Additions	224,449	1,440	431	226,320
	<u>1,833,707</u>	<u>44,179</u>	<u>95,840</u>	<u>1,973,726</u>
At 31 March 2020				
DEPRECIATION				
At 1 April 2019	1,059,197	39,252	56,155	1,154,604
Charge for year	95,290	882	14,754	110,926
	<u>1,154,487</u>	<u>40,134</u>	<u>70,909</u>	<u>1,265,530</u>
At 31 March 2020				
NET BOOK VALUE				
At 31 March 2020	<u>679,220</u>	<u>4,045</u>	<u>24,931</u>	<u>708,196</u>
At 31 March 2019	<u>550,061</u>	<u>3,487</u>	<u>39,254</u>	<u>592,802</u>

Assets under finance lease:

	Plant & Machinery £	Totals £
COST		
Additions	171,219	171,219
DEPRECIATION		
Charge for the year	10,526	10,526
NET BOOK VALUE		
At 31 March 2020	<u>160,693</u>	<u>160,693</u>

11. INVENTORIES

	2020 £	2019 £
Raw materials	174,187	144,611
Work-in-progress	65,717	24,561
Traded goods	2,093,099	1,934,910
	<u>2,333,003</u>	<u>2,104,082</u>

MANCHESTER ORGANICS LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2020

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade debtors	887,634	567,535
Amounts owed by group undertakings	4,763	88,113
Other debtors	3,495	22,543
Tax	103,212	86,425
VAT	18,847	52,587
Prepayments	126,738	129,949
	<u>1,144,689</u>	<u>947,152</u>

13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 15)	150,000	-
Trade creditors	618,433	418,430
Sales ledger credit balances	43,830	56,223
HP loans repayable	39,543	-
Amounts owed to group undertakings	169,000	175,000
Social security and other taxes	72,876	46,337
Pension fund control A/c	16,740	-
Other creditors	810	243
Accrued expenses	48,463	74,358
	<u>1,159,695</u>	<u>770,591</u>

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

	2020	2019
	£	£
HP loans repayable	<u>105,694</u>	<u>-</u>

15. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank loans	<u>150,000</u>	<u>-</u>

The company's ultimate undertaking Navin Fluorine International limited has provided the security for the Bank loan.

MANCHESTER ORGANICS LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2020

16. LEASING AGREEMENTS

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

	2020 £	2019 £
Expiring:		
Not later than one year	348,960	348,960
Later than one year and not later than five years	886,940	1,235,900
	<u>1,235,900</u>	<u>1,584,860</u>

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

	2020 £	2019 £
Expiring:		
Not later than one year	62,491	
Later than one year and not later than five years	102,415	
	<u>164,906</u>	

17. PROVISIONS FOR LIABILITIES

	2020 £	2019 £
Deferred tax		
Other timing differences	24,228	-
Deferred tax	99,838	99,838
	<u>124,066</u>	<u>99,838</u>
		Deferred tax
		£
Balance at 1 April 2019		99,838
Provided during year		24,228
Balance at 31 March 2020		<u>124,066</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
10,000	Ordinary	£0.01	<u>100</u>	<u>100</u>

Each share is entitled to one vote and entitled to dividend payment or any other distribution on a pari passu basis including distribution arising from a winding up of the company.

MANCHESTER ORGANICS LIMITED

Notes to the Financial Statements - continued
FOR THE YEAR ENDED 31 MARCH 2020

19. RESERVES

	Retained earnings £	Share premium £	Totals £
At 1 April 2019	2,882,765	54,990	2,937,755
Deficit for the year	(11,030)		(11,030)
	<u>2,871,735</u>	<u>54,990</u>	<u>2,926,725</u>
At 31 March 2020	<u>2,871,735</u>	<u>54,990</u>	<u>2,926,725</u>

20. ULTIMATE PARENT COMPANY

The ultimate controlling party and ultimate parent company is Navin Fluorine International Limited, a company registered in India.

Navin Fluorine International Limited is the parent undertaking of the only group for which consolidated financial statements are prepared. These financial statements may be obtained by the public at 2nd floor Sunteck Centre, 37/40 Subhash Road, Vile Parle (East), Mumbai 400057, India.

MANCHESTER ORGANICS LIMITED

Trading and Profit and Loss Account
FOR THE YEAR ENDED 31 MARCH 2020

	2020		2019	
	£	£	£	£
Sales		4,347,043		4,568,086
Cost of sales				
Opening stock	2,104,082		2,325,622	
Purchases	2,362,987		2,200,961	
Production salaries	616,831		611,702	
	<hr/>		<hr/>	
	5,083,900		5,138,285	
Closing stock	(2,267,286)		(2,079,521)	
Closing work in progress	(65,717)		(24,561)	
	<hr/>	2,750,897	<hr/>	3,034,203
GROSS PROFIT		1,596,146		1,533,883
Other income				
Profit on sale of tangible fixed assets	-		(2,376)	
Deposit account interest	363		555	
	<hr/>	363	<hr/>	(1,821)
		1,596,509		1,532,062
Expenditure				
Salaries	833,996		899,800	
Social security	81,872		90,555	
Pensions	35,922		21,397	
Company Health Plan	2,921		12,736	
Directors' salaries	54,223		82,167	
Directors' social security	6,292		9,601	
Rent	369,303		383,550	
Telephone	8,524		13,584	
Post and stationery	10,917		17,489	
Travelling	58,326		73,655	
Motor expenses	5,832		11,012	
Sales commissions	5,375		-	
Repairs and renewals	65,566		77,056	
Household and cleaning	13,261		6,867	
Computer costs	23,994		7,833	
Motor car leasing rentals	-		6,765	
Sundry expenses	14,126		16,006	
Training and recruitment	18,048		45,186	
Redundancy costs- settlement	-		5,000	
Accountancy	3,000		3,000	
Consultancy fees	36,598		38,418	
Subscription	323		2,987	
Legal fees	5,996		3,447	
Auditors' remuneration	13,800		13,800	
Auditors' remuneration for non audit work	2,850		2,975	
Foreign exchange losses	(3,867)		1,167	
Entertainment	317		413	
Bad debts	(9,100)		6,012	
	<hr/>		<hr/>	
Carried forward	1,658,415	1,596,509	1,852,478	1,532,062

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MANCHESTER ORGANICS LIMITED

Trading and Profit and Loss Account
FOR THE YEAR ENDED 31 MARCH 2020

	2020		2019	
	£	£	£	£
Brought forward	1,658,415	1,596,509	1,852,478	1,532,062
Promotions and exhibitions	71,241		73,463	
Group cost recharges	(323,435)		(365,706)	
Insurance	57,336		58,637	
		<u>1,463,557</u>	<u></u>	<u>1,618,872</u>
		132,952		(86,810)
Finance costs				
Bank charges	19,454		20,677	
Bank loan interest	5,006		-	
Other interest	6,367		-	
		<u>30,827</u>	<u></u>	<u>20,677</u>
		102,125		(107,487)
Depreciation				
Plant and machinery	95,290		132,009	
Fixtures and fittings	882		402	
Computer equipment	14,755		15,630	
		<u>110,927</u>	<u></u>	<u>148,041</u>
NET LOSS		<u><u>(8,802)</u></u>		<u><u>(255,528)</u></u>

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