

COMPANY REGISTRATION NUMBER: 04138468

Bitrez Limited
Financial Statements
31 December 2020

Bitrez Limited
Financial Statements

Year ended 31 December 2020

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Bitrez Limited

Officers and Professional Advisers

The board of directors

Mr B Allen
Mr P H Jones

Registered office

Bradley Hall Trading Estate
Bradley Lane
Standish
Wigan
WN6 0XQ

Auditor

Walter Dawson & Son
Chartered accountants & statutory auditor
First Floor Offices, Unit A4
Old Power Way
Lowfields Business Park
Elland
HX5 9DE

Bitrez Limited

Strategic Report

Year ended 31 December 2020

The directors present their strategic report for the year ended 31 December 2020.

Review of the Business The principal activity of the Company continues to be that of design, development and manufacture of specialist synthetic polymers supplied to a diverse range of industries . 2020 has been a difficult year for everyone. However, despite the departure from the EU finally occurring, we are sure that the year will be remembered and defined by the COVID-19 Pandemic and the devastation that ensued. We were fortunate enough to respond very quickly, initiating protective measures that have prevented any internal transmission of the virus. We have remained fully operational throughout the year enabling continuity of supply to our customers. There was an inevitable dip in turnover, but we envisage a vigorous return and increased growth to follow. Despite the horrendous events we were still recognised with a myriad of awards and our recognition for outstanding innovation was further declared in the highest echelons. Reports of some of these achievements which will only be unveiled in the forthcoming year but they highlight the level of innovation our proprietary products offer.

Future Developments This was a financial year unlike any other previously experienced. The turnover for the year was £22.02 million which was a reduction of £1.72 million on the £23.74 million in 2019 but still maintained a gross margin percentage of 23/24%. Sales to the European Union remain static and the drop in overall turnover was almost entirely attributable to a domestic reduction. As the year progressed the reduction in sales was not unexpected in view of the economic uncertainties in the U.K. created by the much delayed and last-minute parliamentary agreement on a Brexit withdrawal proposal. This coupled with the business disruption of the Covid-19 Pandemic, emergency restriction was bound to have an adverse effect on trade in general. Fortunately, we were in a strong financial position to accommodate any changes needed to re-arrange certain aspects of our purchasing and production which ultimately enabled us to achieve an after-tax profit of 4.4%. This was down from the 8.3% in 2019 but is still considered, by the Directors, to be an acceptable result in the light of the business climate which has prevailed this year. The products developed for BPA free coatings resins for the packaging coatings sector are gathering momentum as organisations transition to this technology due to regulatory and media pressures. We also have Eastman advocating and promoting the use of our Phenolics alongside their BPA free technology which in turn is bringing significant interest and further growth.

Research and Development The continuation of regulatory restrictions, rationalisation, and the removal of products from the market with increasing awareness and recognition of a need for higher compliance standards across the globe, brings further opportunities for both existing products and some new materials. This is coupled by an ever-increasing appreciation of the need to develop a circular economy and a drive to conform with the UN Sustainability Development Goals. Our innovative products are gaining traction in a wide number of areas with geographic expansion. Principal Risks and Uncertainties At the time of drafting this report the global economy has been impacted by the Pandemic with several market sectors seeing a huge downturn in demand. With oil prices plummeting and demand at such a low level, many petrochemical products may start to shorten. Whilst transport sectors have been hit hard, we see increasing demand for our products in many other areas. It is conceivable that the Pandemic will lead to greater demand for increasingly regionalised supply chains and domestic sales which should provide increased opportunity in the UK and with our progress for toll manufacture, allow growth overseas if the same principal is adopted. Our partnership with Georgia Pacific is operational and allows North American domestic production. Our broad spectrum of products and very limited competition allows for continued growth. We see the future as being exceptionally promising and whilst the lower oil prices and reduced demand may stagger changes towards sustainable and safer materials, we are confident that this is the pathway forward and the transition to a circular economy will occur. We are well equipped in providing service and supply to this end.

This report was approved by the board of directors on 2 June 2021 and signed on behalf of the board by:

Mr B Allen

Director

Registered office:

Bradley Hall Trading Estate

Bradley Lane

Standish

Wigan

WN6 0XQ

Bitrez Limited

Directors' Report

Year ended 31 December 2020

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

Directors

The directors who served the company during the year were as follows:

Mr B Allen

Mr P H Jones

Dividends

Particulars of recommended dividends are detailed in note 12 to the financial statements.

Qualifying indemnity provision

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Disclosure of information in the strategic report

Certain matters required by regulation to be dealt with in the annual report have been dealt with in the Strategic Report on page 2, rather than in the Directors' Report. These include the review of the business and the principal risks and uncertainties.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations. Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period. In preparing these financial statements, the directors are required to: - select suitable accounting policies and then apply them consistently; - make judgments and 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. Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and - they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board of directors on 2 June 2021 and signed on behalf of the board by:

Mr B Allen

Director

Registered office:

Bradley Hall Trading Estate

Bradley Lane

Standish

Wigan

WN6 0XQ

Bitrez Limited

Independent Auditor's Report to the Members of Bitrez Limited

Year ended 31 December 2020

Opinion

We have audited the financial statements of Bitrez Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, balance sheet, statement of cash flows and the related notes, 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice). In our opinion the financial statements: - give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended; - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; - have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion: - adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or - the financial statements are not in agreement with the accounting records and returns; or - certain disclosures of directors' remuneration specified by law are not made; or - we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below: Our approach to identifying and assessing the risk of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows: - the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations; - we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector; - we focussed on specific laws and regulations which considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, data protection, anti-bribery, employment, environmental and health and safety legislation; - we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting any legal correspondence; and - identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit. We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: - making enquiries of management as to where they considered there was a susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and - considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations. To address the risk of fraud through management bias and override of controls, we: - performed analytical procedures to identify any unusual or unexpected relationships; - tested journal entries to identify unusual transactions; - assessed whether judgements and assumptions made in determining the accounting estimates and where indicative of potential bias; and - investigated the rationale behind any significant or unusual transactions. In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to: - agreeing financial statement disclosures to underlying supporting documentation; - enquiring of management as to actual and potential litigation and claims; and - reviewing any correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors. There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion. 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 Auditors' Report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Graham D Atkinson

(Senior Statutory Auditor)

For and on behalf of

Walter Dawson & Son

Chartered accountants & statutory auditor

First Floor Offices, Unit A4

Old Power Way

Lowfields Business Park

Elland

HX5 9DE

2 June 2021

Bitrez Limited

Profit and Loss Account

Year ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	22,019,916	23,745,479
Cost of sales		16,738,127	18,277,490
Gross profit		5,281,789	5,467,989
Administrative expenses		4,337,887	3,385,398
Other operating income	5	20,941	–
Operating profit	6	964,843	2,082,591
Other interest receivable and similar income	10	2,899	4,283
Profit before taxation		967,742	2,086,874
Tax on profit	11	–	105,439
Profit for the financial year and total comprehensive income		967,742	1,981,435
Dividends paid and payable	12	(1,200,000)	(1,200,000)
Retained earnings at the start of the year		10,524,767	9,743,332
Retained earnings at the end of the year		10,292,509	10,524,767

All the activities of the company are from continuing operations.

Bitrez Limited

Balance Sheet

31 December 2020

	Note	2020 £	2019 £
Current assets			
Stocks	14	5,873,750	6,436,658
Debtors	15	4,650,934	4,409,127
Cash at bank and in hand		3,410,419	1,461,274
		-----	-----
		13,935,103	12,307,059
Creditors: amounts falling due within one year	16	3,641,594	1,781,292
		-----	-----
Net current assets		10,293,509	10,525,767
		-----	-----
Total assets less current liabilities		10,293,509	10,525,767
		-----	-----
Net assets		10,293,509	10,525,767
		-----	-----
Capital and reserves			
Called up share capital	18	1,000	1,000
Profit and loss account	19	10,292,509	10,524,767
		-----	-----
Shareholders funds		10,293,509	10,525,767
		-----	-----

These financial statements were approved by the board of directors and authorised for issue on 2 June 2021 , and are signed on behalf of the board by:

Mr B Allen

Director

Company registration number: 04138468

Bitrez Limited

Statement of Cash Flows

Year ended 31 December 2020

	2020	2019
	£	£
Cash flows from operating activities		
Profit for the financial year	967,742	1,981,435
<i>Adjustments for:</i>		
Other interest receivable and similar income	(2,899)	(4,283)
Gains on disposal of intangible assets	–	(500,000)
Tax on profit	–	105,439
Accrued expenses/(income)	95,502	(30,438)
<i>Changes in:</i>		
Stocks	562,908	(1,001,846)
Trade and other debtors	(241,807)	802,091
Trade and other creditors	135,732	(6,432)
Cash generated from operations	1,517,178	1,345,966
Interest received	2,899	4,283
Tax paid	(31,440)	(113,714)
Net cash from operating activities	1,488,637	1,236,535
Cash flows from investing activities		
Proceeds from sale of intangible assets	–	500,000
Net cash from investing activities	–	500,000
Cash flows from financing activities		
Proceeds from loans from group undertakings	1,660,508	–
Dividends paid	(1,200,000)	(1,200,000)
Net cash from/(used in) financing activities	460,508	(1,200,000)
Net increase in cash and cash equivalents	1,949,145	536,535
Cash and cash equivalents at beginning of year	1,461,274	924,739
Cash and cash equivalents at end of year	3,410,419	1,461,274

Bitrez Limited

Notes to the Financial Statements

Year ended 31 December 2020

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Bradley Hall Trading Estate, Bradley Lane, Standish, Wigan, WN6 0XQ.

2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis. The financial statements are prepared in sterling, which is the functional currency of the entity .

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exception: deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Intangible assets

Environmental registration fees are valued at cost less accumulated amortisation.

Amortisation

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Environmental Reg Fees - 10% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

Research and development policy

Research expenditure is written off in the period in which it is incurred. Development expenditure incurred is capitalised as an intangible asset only when all of the following criteria are met: - It is technically feasible to complete the intangible asset so that it will be available for use or sale; - There is the intention to complete the intangible asset and use or sell it; - There is the ability to use or sell the intangible asset; - The use or sale of the intangible asset will generate probable future economic benefits; - There are adequate technical, financial and other resources available to complete the development and to use or sell the intangible asset; and - The expenditure attributable to the intangible asset during its development can be measured reliably. Expenditure that does not meet the above criteria is expensed as incurred.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

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

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

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

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

4. Turnover

Turnover arises from:

	2020	2019
	£	£
Sale of goods	22,019,916	23,745,479
	-----	-----

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2020	2019
	£	£
United Kingdom	10,975,335	12,435,400
Europe	6,971,325	6,846,049
Rest of World	4,073,256	4,464,030
	22,019,916	23,745,479

5. Other operating income

	2020	2019
	£	£
Other operating income	20,941	—

6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2020	2019
	£	£
Gains on disposal of intangible assets	—	(500,000)
Foreign exchange differences	6,624	(12,078)

7. Auditor's remuneration

	2020	2019
	£	£
Fees payable for the audit of the financial statements	15,900	15,700
Fees payable to the company's auditor and its associates for other services:		
Audit-related assurance services	1,600	3,600
Taxation advisory services	4,000	4,000
	5,600	7,600

8. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2020	2019
	No.	No.
Production staff	76	82
Administrative staff	21	19
	97	101

The aggregate payroll costs incurred during the year, relating to the above, were:

	2020	2019
	£	£
Wages and salaries	3,438,613	3,644,168
Social security costs	369,445	382,912
Other pension costs	76,376	85,666
	3,884,434	4,112,746

9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2020	2019
	£	£
Remuneration	602,326	616,610
Company contributions to defined contribution pension plans	10,000	10,000
	-----	-----
	612,326	626,610
	-----	-----

The number of directors who accrued benefits under company pension plans was as follows:

	2020	2019
	No.	No.
Defined contribution plans	1	1
	---	---

Remuneration of the highest paid director in respect of qualifying services:

	2020	2019
	£	£
Aggregate remuneration	340,859	340,263
	-----	-----

10. Other interest receivable and similar income

	2020	2019
	£	£
Interest on cash and cash equivalents	2,326	4,283
Other interest receivable and similar income	573	—
	-----	-----
	2,899	4,283
	-----	-----

11. Tax on profit

Major components of tax expense

	2020	2019
	£	£
Current tax:		
UK current tax expense	—	105,439
	---	-----
Tax on profit	—	105,439
	---	-----

Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2019: lower than) the standard rate of corporation tax in the UK of 19 % (2019: 19 %).

	2020	2019
	£	£
Profit on ordinary activities before taxation	967,742	2,086,874
	-----	-----
Profit on ordinary activities by rate of tax	183,871	396,505
Effect of expenses not deductible for tax purposes	422	539
Utilisation of tax losses	81,114	—
Enhanced tax allowances	(265,407)	(291,605)
	-----	-----
Tax on profit	—	105,439
	-----	-----

12. Dividends

Dividends paid during the year (excluding those for which a liability existed at the end of the prior year):

	2020	2019
	£	£
Dividends on equity shares	1,200,000	1,200,000

13. Intangible assets

	Environmental Reg. Fees £
Cost	
At 1 January 2020 and 31 December 2020	48,675
Amortisation	
At 1 January 2020 and 31 December 2020	48,675
Carrying amount	
At 31 December 2020	—
At 31 December 2019	—

14. Stocks

	2020	2019
	£	£
Raw materials and consumables	2,569,475	2,393,903
Finished goods and goods for resale	3,304,275	4,042,755
	5,873,750	6,436,658

15. Debtors

	2020	2019
	£	£
Trade debtors	4,305,143	3,883,844
Amounts owed by group undertakings	—	147,869
Prepayments and accrued income	268,109	288,903
Corporation tax repayable	52,999	—
Other debtors	24,683	88,511
	4,650,934	4,409,127

16. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	1,635,784	1,498,125
Amounts owed to group undertakings	1,721,070	60,562
Accruals and deferred income	180,392	84,890
Corporation tax	—	31,440
Social security and other taxes	104,348	106,275
	3,641,594	1,781,292

17. Employee benefits

Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £ 66,376 (2019: £ 75,666).

18. Called up share capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £ 1 each	1,000	1,000	1,000	1,000

Ordinary shares carry equal rights in all respects.

19. Reserves

Profit and loss account - This reserve records retained earnings and accumulated losses.

20. Analysis of changes in net debt

	At 1 Jan 2020	Cash flows	At 31 Dec 2020
	£	£	£
Cash at bank and in hand	1,461,274	1,949,145	3,410,419
Debt due within one year	(60,562)	(1,660,508)	(1,721,070)
	1,400,712	288,637	1,689,349

21. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2020	2019
	£	£
Not later than 1 year	295,896	301,190
Later than 1 year and not later than 5 years	699,862	997,833
	995,758	1,299,023

22. Contingencies

The company had contingent liabilities in respect of a composite guarantee to the company's bankers, in respect of all companies in the Bitrez group. There is an arrangement in place to discount certain sales invoices. Any liability is secured by a first charge over trade debtors.

Bitrez Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2020

23. Related party transactions

The company has taken advantage of the provisions of FRS102 relating to intra group transactions on the basis that subsidiaries are owned 100% by the parent, and consolidated accounts are prepared. During the year the company transacted with entities providing key management services , as follows: Services received £ 746,765 (2019 £250,002) Amount owed at year end £Nil (2019 £ 27,088)

24. Parent company and controlling party

Bitrez Group Limited, a company registered in England and Wales, is the company's immediate and ultimate parent undertaking. Consolidated accounts are available from the registered office. The Group was under the control of the directors throughout the current and previous year, by virtue of their ownership of 100% of the equity share capital of Bitrez Group Limited, the company's parent.

25. General information

Bitrez Limited is a limited company incorporated in England. The registered office address is disclosed in the directors report.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.