

BASF Catalysts UK Holdings Limited

Directors' Report and Financial Statements

Registered number: 249071

for the Year Ended 31 December 2019

BASF Catalysts UK Holdings Limited
Directors' Report and Financial Statements
Registered Number 249071
Year Ended 31 December 2019

Contents

Strategic Report	1
Directors' Report	3
Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements	4
Independent Auditor's Report to the members of BASF Catalysts UK Holdings Limited	5
Profit and Loss Account	8
Statement of Comprehensive Income	9
Balance Sheet	10
Statement of Changes in Equity	11
Notes to the Financial Statements	12

Strategic Report for the Year Ended 31 December 2019

The directors present their strategic report for the year ended 31 December 2019.

Principal activity

The principal activity of the company is that of a holding company of a group of entities involved in the purchase and refining of precious metals and metal commodity dealing.

Business review

The company reported profit for the year of £21,705,000 (2018: £14,682,000) and a net actuarial loss was recognised in other comprehensive income of £41,000 (2018: £13,000).

The directors are of the opinion that an analysis using detailed key performance indicators is not necessary for an understanding of the development, performance or position of the company.

The company had no employees in the current or prior year.

Risks and uncertainties

The principal risks and uncertainties of the company are integrated with those of the BASF group and are not managed separately.

Brexit

On 29 March 2017, Article 50 was triggered starting the process of the UK leaving the European Union and on 31st January 2020 the UK left, ending 46 years of the UK's membership. The impact of Brexit on the company as an intermediate holding company within the BASF Group will be via its holding in UK subsidiaries. The impact of Brexit is considered in the accounts of those trading subsidiaries.

COVID-19 pandemic

A novel strain of coronavirus (COVID-19) that first surfaced in China was classified as a pandemic by the World Health Organization on 11 March 2020, impacting countries globally. The global spread of COVID-19 has resulted in governments taking varied actions towards stemming its spread and also bolstering economies. Consequently, the global economy has seen a slowdown of economic activity in many sectors. The impact on the company as an intermediate holding company within the BASF Group will be via its holdings in UK subsidiaries. The impact of COVID-19 is considered in the accounts of those trading subsidiaries.

BASF Catalysts UK Holdings Limited
Directors' Report and Financial Statements
Registered Number 249071
Year Ended 31 December 2019

Strategic Report for the Year Ended 31 December 2019 (continued)

Statement by the Directors on the performance of their statutory duties in accordance with s172(1) Companies Act 2006

The directors confirm that they have acted in good faith in the way they consider what would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the company's various stakeholders and other matters set out in s172(1)(a-f) of the Act). This statement applies equally to the directors individually and when acting collectively as the Board.

In discharging their duties in relation to section 172 (1), careful consideration is given to the matters set out above. The stakeholders we consider in this regard are shareholders.

Engaging with our Shareholder

Engagement with our shareholder is of fundamental importance across the business and the directors are focused on building this relationship on a continuous basis. The directors behave responsibly towards the shareholder and treat the shareholder fairly and equally.

Approved by the Board on 5 November 2020 and signed on its behalf by:

DocuSigned by:

.....C065B681717E41F.....
H Koerner
Company secretary

BASF Catalysts UK Holdings Limited
Directors' Report and Financial Statements
Registered Number 249071
Year Ended 31 December 2019

Directors' Report for the Year Ended 31 December 2019

The directors present their report and the financial statements for the year ended 31 December 2019.

Dividends

During the year dividends of £21,300,000 (2018: £14,500,000) were paid to shareholders and dividends of £21,785,000 (2018: £14,763,000) were received from the company's subsidiaries.

Directors of the company

The directors who held office during the year were as follows:

T Urwin

R Smallwood (ceased 2 June 2020)

H Koerner

Disclosure of information to the auditor

Each director who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware and each director has taken all the 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 auditors are aware of that information.

Reappointment of auditors

The auditors KPMG LLP are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Approved by the Board on 5 November 2020 and signed on its behalf by:

DocuSigned by:

.....C065B681717E41F.....
H Koerner
Company secretary

21st Floor
110 Bishopsgate
London
United Kingdom
EC2N 4AY
England

Statement of Directors' Responsibilities in respect of the Strategic Report, Directors' Report and the Financial Statements

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

KPMG LLP

1 St Peter's Square
Manchester
M2 3AE
United Kingdom

Independent Auditor's Report to the Members of BASF Catalysts UK Holdings Limited

Opinion

We have audited the financial statements of BASF Catalysts UK Holdings Limited (the 'company') for the year ended 31 December 2019, which comprise the Balance Sheet, Profit and Loss Account, Statement of Comprehensive Income, Statement of Changes in Equity, and related notes, including the accounting policies in note 2.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland; 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going concern

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 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.

Independent Auditor's Report to the Members of BASF Catalysts UK Holdings Limited (continued)

Strategic Report and Directors' Report

The directors are responsible for the Strategic Report and the Directors' Report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the Strategic Report and the Directors' Report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the Strategic Report and the Directors' Report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.

Directors' responsibilities

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities.

Independent Auditor's Report to the Members of BASF Catalysts UK Holdings Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.



.....
Andrew Reddington (Senior Statutory Auditor)
For and on behalf of KPMG LLP, Statutory Auditor

Chartered Accountants

1 St Peter's Square

Manchester

M2 3AE

Date:^{9th} November 2020

BASF Catalysts UK Holdings Limited
 Directors' Report and Financial Statements
 Registered Number 249071
 Year Ended 31 December 2019

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Administrative expenses		<u>(41)</u>	<u>(47)</u>
Operating loss		(41)	(47)
Income from other fixed asset investments		21,785	14,763
Other interest receivable and similar income	3	24	7
Interest payable and similar charges	4	<u>(86)</u>	<u>(58)</u>
Profit before tax		21,682	14,665
Taxation	7	<u>23</u>	<u>17</u>
Profit for the financial year		<u><u>21,705</u></u>	<u><u>14,682</u></u>

The above results were derived from continuing operations.

The notes on pages 12 to 21 form an integral part of these financial statements.

BASF Catalysts UK Holdings Limited
 Directors' Report and Financial Statements
 Registered Number 249071
 Year Ended 31 December 2019

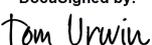
Statement of Comprehensive Income for the Year Ended 31 December 2019

	Note	2019 £ 000	2018 £ 000
Profit for the year		21,705	14,682
Remeasurement loss on medical scheme before tax	13	(51)	(15)
Income tax effect on remeasurement loss on medical scheme		<u>10</u>	<u>2</u>
Total comprehensive income for the year		<u><u>21,664</u></u>	<u><u>14,669</u></u>

Balance Sheet as at 31 December 2019

	Note	2019 £ 000	2018 £ 000
Fixed assets			
Investments	8	28,533	28,533
Current assets			
Debtors falling due within one year	9	1,829	1,089
Debtors falling due after more than one year	10	219	215
Cash at bank and in hand	11	19,396	4,221
		<u>21,444</u>	<u>5,525</u>
Creditors: Amounts falling due within one year	12	<u>(22,012)</u>	<u>(6,480)</u>
Net current liabilities		<u>(568)</u>	<u>(955)</u>
Total assets less current liabilities		27,965	27,578
Post retirement medical benefit scheme	13	<u>(1,285)</u>	<u>(1,262)</u>
Net assets		<u>26,680</u>	<u>26,316</u>
Capital and reserves			
Called up share capital	14	2,400	2,400
Share premium reserve		194	194
Profit and loss account		<u>24,086</u>	<u>23,722</u>
Total equity		<u>26,680</u>	<u>26,316</u>

Approved and authorised by the Board on 5 November 2020 and signed on its behalf by:

DocuSigned by:

 8096CE7EFD554C0:.....

T Urwin
 Director

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	2,400	194	23,553	26,147
Profit for the year	-	-	14,682	14,682
Other comprehensive income	-	-	(13)	(13)
Total comprehensive income	-	-	14,669	14,669
Dividends	-	-	(14,500)	(14,500)
At 31 December 2018	<u>2,400</u>	<u>194</u>	<u>23,722</u>	<u>26,316</u>
	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2019	2,400	194	23,722	26,316
Profit for the year	-	-	21,705	21,705
Other comprehensive income	-	-	(41)	(41)
Total comprehensive income	-	-	21,664	21,664
Dividends	-	-	(21,300)	(21,300)
At 31 December 2019	<u>2,400</u>	<u>194</u>	<u>24,086</u>	<u>26,680</u>

The notes on pages 12 to 21 form an integral part of these financial statements.

Notes to the Financial Statements for the Year Ended 31 December 2019

1 General information

The company is a private company limited by share capital, incorporated in England. The company's registered office is 21st Floor, 110 Bishopsgate, London, United Kingdom, EC2N 4AY.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102").

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

The presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

Summary of disclosure exemptions

The company's ultimate parent undertaking, BASF Societas Europaea (BASF SE) includes the company in its consolidated financial statements. The consolidated financial statements of BASF SE are prepared in accordance with International Financial Reporting Standards as adopted by the EU. In these financial statements, the company is considered to be a qualifying entity (for the purposes of FRS 102) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period; and
- Cash Flow Statement and related notes
- Key Management Personnel compensation

The financial statements of BASF SE may be obtained from BASF Societas Europaea, D67056 – Ludwigshafen, Germany.

Notes to the Financial Statements for the Year Ended 31 December 2019

2 Accounting policies (continued)

Going concern

Notwithstanding net current liabilities of £568,000 as at 31 December 2019, the financial statements have been prepared on a going concern basis which the directors consider to be appropriate for the following reasons. The directors have prepared cash flow forecasts for a period of at least 12 months from the date of approval of these financial statements which indicate that, taking account of reasonably possible downsides, the company will have sufficient funds, from dividend receipts from its subsidiaries, to meet its liabilities as they fall due for that period. Those forecasts are dependent on The Sheffield Smelting Company, Limited not seeking repayment of the amounts currently due to the group, which at 31 December 2019 amounted to £1,544,000. The Sheffield Smelting Company, Limited has indicated it does not intend to seek repayment of the amounts due at the balance sheet date, for the period covered by the forecasts. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently, the directors are confident that the company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Exemption from preparing group accounts

The financial statements contain information about BASF Catalysts UK Holdings Limited as an individual company and do not contain consolidated financial information as the parent of a group.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are included by full consolidation in the consolidated financial statements of its ultimate parent, BASF Societas Europaea, a company incorporated in Germany.

Tax

Tax on profit or loss for the period comprises current tax and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred tax is measured at the rate that is expected to apply to the reversal of the related difference, using tax rates that have been enacted or substantively enacted at the balance sheet date.

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.

Investments

Investments in subsidiaries are carried at cost less impairment.

Notes to the Financial Statements for the Year Ended 31 December 2019

2 Accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Debtors

Debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Creditors

Creditors are recognised initially at the transaction price plus attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Dividends

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

3 Other interest receivable and similar income

	2019	2018
	£ 000	£ 000
Interest receivable from group undertakings	24	7

4 Interest payable and similar charges

	2019	2018
	£ 000	£ 000
Other finance expense - medical scheme	35	32
Interest payable to group undertakings	51	26
	86	58

Notes to the Financial Statements for the Year Ended 31 December 2019

5 Directors' remuneration

The directors provide services to a number of group companies. Remuneration is not allocated by entity and the amounts disclosed represent the total remuneration receivable by the directors for their services to the wider group in the UK.

	2019	2018
	£ 000	£ 000
Remuneration	388	345
Contributions paid to money purchase schemes	56	72
	<u>444</u>	<u>417</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	2019	2018
	No.	No.
Accruing benefits under money purchase pension scheme	<u>2</u>	<u>3</u>

In respect of the highest paid director:

	2019	2018
	£ 000	£ 000
Remuneration	173	163
Company contributions to money purchase pension schemes	<u>-</u>	<u>17</u>

The directors of the company are employed by other subsidiaries within the group and do not take any remuneration from the company.

6 Auditor's remuneration

	2019	2018
	£ 000	£ 000
Audit of the financial statements	<u>5</u>	<u>4</u>

Notes to the Financial Statements for the Year Ended 31 December 2019

7 Taxation

Tax (credited)/charged in the profit and loss account

	2019	2018
	£ 000	£ 000
Current taxation		
UK corporation tax	(25)	(23)
UK corporation tax adjustment to prior periods	(3)	2
	<u>(28)</u>	<u>(21)</u>
Deferred taxation		
Arising from origination and reversal of timing differences	5	4
Tax receipt in the profit and loss account	<u>(23)</u>	<u>(17)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019	2018
	£ 000	£ 000
Profit before tax	<u>21,682</u>	<u>14,665</u>
Corporation tax at standard rate	4,119	2,786
Effect of revenues exempt from taxation	(4,139)	(2,805)
(Decrease)/increase in UK and foreign current tax from adjustment for prior periods	<u>(3)</u>	<u>2</u>
Total tax credit	<u>(23)</u>	<u>(17)</u>

A reduction in the UK corporation tax rate to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. In the 11 March 2020 Budget it was announced that the UK tax rate will remain at the current rate of 19% and not reduce to 17% from 1 April 2020. This will increase the company's future current tax charge accordingly.

Deferred tax is provided at a rate of 17% as this was the rate substantively enacted at the balance sheet date.

Notes to the Financial Statements for the Year Ended 31 December 2019

7 Taxation (continued)

Deferred tax

Deferred tax assets and liabilities

2019	Asset £ 000
Accelerated tax depreciation	-
Retirement benefit obligation	219
	<u>219</u>

2018	Asset £ 000
Accelerated tax depreciation	-
Retirement benefit obligation	215
	<u>215</u>

8 Investments in subsidiaries

	2019 £ 000	2018 £ 000
Investments in subsidiaries	<u>28,533</u>	<u>28,533</u>
Subsidiaries		£ 000
Cost or valuation		
At 1 January 2019 and 31 December 2019		28,533
Provision		
At 1 January 2019 and 31 December 2019		<u>-</u>
Carrying amount		
At 31 December 2019		<u>28,533</u>
At 31 December 2018		<u>28,533</u>

Notes to the Financial Statements for the Year Ended 31 December 2019

8 Investments in subsidiaries (continued)

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held	
			2019	2018
Subsidiary undertakings				
BASF Metals Recycling Limited	Forest Vale Road, Cinderford, GL14 2PH, England	Ordinary	100%	100%
BASF Metals Limited	21st Floor, 110 Bishopsgate, London, EC2N 4AY, England	Ordinary	100%	100%
BASF Metal Forwards Limited	21st Floor, 110 Bishopsgate, London, EC2N 4AY, England	Ordinary	100%	100%

The principal activity of BASF Metals Recycling Limited is the recovery of precious metals from scrap auto catalyst material.

The principal activity of BASF Metals Limited is that of metal trading.

The principal activity of BASF Metal Forwards Limited is that of metal trading.

9 Debtors falling due within one year

	Note	2019 £ 000	2018 £ 000
Other debtors	16	1,782	1,052
Corporation tax	7	47	37
		<u>1,829</u>	<u>1,089</u>

10 Debtors falling due after more than one year

	Note	2019 £ 000	2018 £ 000
Deferred tax assets	7	219	215

Notes to the Financial Statements for the Year Ended 31 December 2019

11 Cash at bank and in hand

	2019	2018
	£ 000	£ 000
Cash at bank	<u>19,396</u>	<u>4,221</u>

12 Creditors

	Note	2019	2018
		£ 000	£ 000
Due within one year			
Amounts owed to group undertakings	17	22,006	6,476
Accrued expenses		<u>6</u>	<u>4</u>
		<u>22,012</u>	<u>6,480</u>

13 Pension and other schemes

Post retirement medical benefit scheme

The company is obliged to pay medical insurance premiums for a limited number of pensioners and active employees upon retirement. Benefits are provided to eligible pensioners, their spouses and eligible dependants.

An actuarial estimate of the accrued liability in respect of the post retirement medical expenses has been carried out as at 31 December 2019 by a qualified independent actuary using the projected unit method.

The total cost relating to the medical scheme for the year recognised in profit or loss as an expense was £47,000 (2018 - £44,000).

Reconciliation of scheme assets and liabilities to assets and liabilities recognised

The amounts recognised in the balance sheet are as follows:

	2019	2018
	£ 000	£ 000
	<u>1,285</u>	<u>1,262</u>

Notes to the Financial Statements for the Year Ended 31 December 2019

13 Pension and other schemes (continued)

Defined benefit obligation

Changes in the defined benefit obligation are as follows:

	2019 £ 000
Present value at start of year	(1,262)
Current service cost	(12)
Interest cost	(35)
Actuarial gains and losses	(51)
Benefits paid	75
Present value at end of year	<u>(1,285)</u>

Principal actuarial assumptions

The principal actuarial assumptions at the balance sheet date are as follows:

Post retirement mortality assumptions

	2019 Years	2018 Years
Current UK pensioners at retirement age - male	22.00	23.00
Current UK pensioners at retirement age - female	<u>24.00</u>	<u>25.00</u>

14 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>	<u>2,400</u>

15 Dividends

	2019 £ 000	2018 £ 000
Interim dividend of £9 (2018 - £6) per ordinary share	<u>21,300</u>	<u>14,500</u>

Notes to the Financial Statements for the Year Ended 31 December 2019

16 Contingent liabilities

As a result of group registration for UK VAT purposes the company is contingently liable for the VAT liabilities of certain other group and associate companies. As at the balance sheet date the group is in a net reclaimable position with respect to VAT and therefore the maximum potential contingent liability of the company is Nil (2018: Nil).

17 Related party transactions

All transactions with related parties during the current and prior year have been with the company's ultimate & immediate parents, its subsidiaries and fellow wholly owned subsidiaries. As such, the company has taken advantage of the exemption allowed under FRS 102.33.1A to not disclose such transactions. Related party balances outstanding at the balance sheet date are disclosed in total under the relevant notes above.

18 Non adjusting post balance sheet events

The Covid-19 pandemic & its likely effects on the company are considered in the Strategic Report.

19 Parent and ultimate parent undertaking

The company's immediate parent is BASF Nederland BV, incorporated in the Netherlands. Registered office Groningensingel 1, 6836 EA, Arnhem, Netherlands.

The ultimate parent is BASF Societas Europaea, incorporated in Germany.

The most senior parent entity producing publicly available financial statements is BASF Societas Europaea. These financial statements are available upon request from BASF Societas Europaea, D67056 – Ludwigshafen, Germany.

The ultimate controlling party is BASF Societas Europaea.