

Acetate Products Limited

Annual report and financial statements
for the year ended 31 December 2013

Registered number: 00217201

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Acetate Products Limited

Annual report and financial statements for the year ended 31 December 2013

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Acetate Products Limited

Strategic report for the year ended 31 December 2013

The directors present their strategic report on the Company for the year ended 31 December 2013.

Review of the business

The principal activity of the Company is the management and development of its land with the aim of maximising its potential value.

The Company made good progress during 2013 in the development of its Little Heath land. A hybrid planning application was submitted to Coventry City Council in January 2013 comprising a detailed application for 10 acres of the site for commercial use and an outline application for the remaining area for residential use to include the provision of sports pitches, open space, roads and associated development. Planning permission for the total development was granted in April 2013 subject to certain obligations and conditions included in a Section 106 Agreement.

Following the submission of this application in January 2013 the Company entered into an agreement for the sale of the commercial land to Trebor Developments LLP for £2.5 million. This sale was completed in August 2013.

Extensive work was undertaken on the clean up of contamination on the land adjacent to the commercial land together with known "hot spots" across the site. The clean up of this contaminated land was completed in the autumn, at which point the Company received a number of offers from various parties, for the remaining land. The Company accepted an offer from Persimmon of £10.125 million for this land. The sale was completed on 3 February 2014 with an initial payment of £0.488 million and further payments to be made in August 2014 and August 2015.

Future developments

In the coming year the Company will be focussing on its land at Spondon currently leased to Derwent Cogeneration Limited. The power station built on this land closed in December 2012 and the owner is planning to sell the plant and equipment, demolish the building and return the land to the Company. The Company are in the course of reviewing the development opportunities available for this site.

The Company are also seeking to agree a remediation plan for the land sold at Spondon to Celanese Corporation in 2007 in which the Company is responsible for 25% of the cost.

The Company is also actively involved in advising its parent company, Acordis Beheer BV, in relation to options on its land at Spondon, Derby including its potential for development.

By Order of the Board



P Shanley
Director
15 May 2014

Acetate Products Limited

Directors' report for the year ended 31 December 2013

The directors present their report and the audited financial statements of Acetate Products Limited (the "Company") for the year ended 31 December 2013.

Business review

The results for the Company show a profit on ordinary activities before taxation of £1,856,000 (2012: Loss of £906,000).

Dividends

The directors are unable to recommend the payment of a dividend (2012: £nil).

Future developments

The future developments in the Company are included in the Strategic report on page 2.

Post balance sheet events

The remaining 30 acres of land at Little Heath have been sold to Persimmon Homes Limited at a sales price of £10.125 million. The sale was completed on 3 February 2014 with an initial payment of £0.488 million and deferred payments of £4.95 million and £4.687 million payable in August 2014 and August 2015 respectively.

Directors

The directors who held office during the year and up to the date of signing the financial statements are given below:

S Boermans (Appointed 14 January 2014)

D Haarsma (Appointed 14 January 2014)

A S Poulson

P Shanley

Statement of directors' responsibilities

The directors are responsible for preparing the Annual 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 prepared 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;

Acetate Products Limited

Directors' report for the year ended 31 December 2013 (continued)

- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

Statement of disclosure of information to auditors

In the case of each of the persons who are directors at the time when the report is approved under section 418 of the Companies Act 2006 the following applies:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- he 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.

Appointment of auditors

The Company's auditors are PricewaterhouseCoopers LLP. An elective resolution has been passed in accordance with Companies Act 2006, dispensing with the requirement to re-appoint auditors annually.

By Order of the Board



P Shanley
Director
15 May 2014

Registered number: 00217201

Acetate Products Limited

Independent auditors' report to the members of Acetate Products Limited

Report on the financial statements

Our opinion

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

This opinion is to be read in the context of what we say below.

What we have audited

The financial statements for the year ended 31 December 2013, which are prepared by Acetate Product Limited, comprise:

- the balance sheet as at 31 December 2013;
- the profit and loss account for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in their preparation comprises applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

What an audit of financial statements involves

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) (ISAs (UK & Ireland)). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on matter prescribed by the Companies Act 2006

In our opinion 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.

Acetate Products Limited

Independent auditors' report to the members of Acetate Products Limited (continued)

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report if, in our opinion, certain disclosures of directors' remuneration specified by law have not been made. We have no exceptions to report arising from this responsibility.

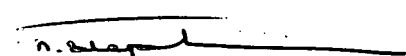
Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities, set out on pages 3 and 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and ISAs (UK & Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



Neil Stephenson (Senior Statutory Auditor).
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands
15 May 2014

Acetate Products Limited

Profit and loss account for the year ended 31 December 2013

		2013	2012
	Note	£'000	£'000
Turnover	3	2,531	30
Cost of sales		(359)	(475)
Gross profit/(loss)		2,172	(445)
Administrative expenses		(316)	(501)
Operating profit/(loss)	4	1,856	(946)
Exceptional items	5	-	14
Profit/(loss) on ordinary activities before interest and tax		1,856	(932)
Interest receivable and similar income	8	-	26
Profit/(loss) on ordinary activities before taxation		1,856	(906)
Tax on profit on ordinary activities	9	-	-
Profit/(loss) for the financial year	16	1,856	(906)

The notes on pages 9 to 16 form part of these financial statements.

There is no material difference between the results as disclosed in the profit and loss account and their historical cost equivalent.

The Company had no recognised gains and losses other than the profit/(loss) above and therefore no separate statement of total recognised gains and losses has been presented.

All amounts relate to continuing operations.


Acetate Products Limited

Balance sheet as at 31 December 2013

	Note	2013 £'000	2012 £'000
Current assets			
Stocks	10	572	629
Debtors: amounts falling due within one year	11	97	133
Cash at bank and in hand		3,445	1,903
		4,114	2,665
Creditors: amounts falling due within one year	12	(75)	(480)
Net current assets		4,039	2,185
Total assets less current liabilities		4,039	2,185
Provisions for liabilities	13	(915)	(917)
Net assets		3,124	1,268
Capital and reserves			
Called up share capital	15	18,000	18,000
Profit and loss account	16	(14,876)	(16,732)
Total shareholder's funds	17	3,124	1,268

The notes on pages 9 to 16 form part of these financial statements.

The financial statements on pages 7 to 16 were approved by the Board of Directors on 15 May 2014 and were signed on its behalf by:



P Shanley
Director

Acetate Products Limited

Notes to the financial statements for the year ended 31 December 2013

1 Accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below:

Basis of preparation

These financial statements have been prepared on a going concern basis under the historical cost convention, the accounting policies set out below, which have been applied consistently, and in accordance with the Companies Act 2006 and applicable UK Accounting Standards.

Turnover

Turnover, which excludes value added tax, includes income from property sales, representing the amount receivable at the date a contract for sale becomes unconditional. It also includes rental income.

Stocks

All stocks are stated at the lower of cost and net realisable value. Cost comprises all expenditure directly attributable to the purchase of land and property, its development and associated fees.

For land and properties held for resale, net realisable value is the estimated amount which could be realised if disposed of at the year end. For sites under development, net realisable value is based on the expected selling price when it is completed, less all costs to be incurred in bringing the site to completion. Immediate provision is made for all foreseeable losses.

Foreign currencies

Transactions denominated in foreign currencies occurring during the year are translated into sterling at the exchange rates prevailing at the dates of those transactions.

Foreign currency assets and liabilities have been translated into sterling at the rates of exchange ruling at the year-end or, where appropriate, the forward cover rate. Exchange differences arising on transactions during the year are dealt with through the profit and loss account.

Deferred taxation

Deferred taxation is accounted for under Financial Reporting Standard 19 ("FRS 19"), 'Deferred tax'. Full provision is made for deferred tax assets and liabilities arising from timing differences between the recognition of gains and losses in the financial statements and their recognition in a tax computation. Deferred tax assets are only recognised to the extent that it is considered more likely than not that there will be taxable profits against which they will reverse in the reasonably foreseeable future. Deferred tax is not discounted.

Operating leases

Rental charges in respect of operating leases are charged to the profit and loss account on a straight-line basis over the lease term.

Provisions

Provision is made where the Company has a present obligation as a result of a past event, it is probable that a transfer of economic benefit will be required and a reliable estimate of the obligation can be made. Provisions are discounted where the effect would be material.

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Notes to the financial statements for the year ended 31 December 2013 (continued)

2 Cash flow statement

For the year ended 31 December 2013 the Company was a wholly-owned subsidiary of Acordis Beheer BV and was included in the consolidated financial statements of Acordis Holding BV. Consequently, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of Financial Reporting Standard 1 "Cash flow statements" (revised 1996).

3 Segmental reporting

All turnover arose within the United Kingdom.

The Company's activities consist solely of the management and development of land.

4 Operating profit/(loss)

Operating profit/(loss) is stated after charging / (crediting):

	2013 £'000	2012 £'000
Wages and salaries	194	227
Social security costs	25	34
Staff costs	219	261
Rental income	(31)	(30)
Exchange loss	3	2
Auditors' remuneration		
-Audit services	19	19
-Non-audit services – tax compliance	10	20

5 Exceptional items

	2013 £'000	2012 £'000
Loss on sale of land	-	(2)
Decrease of environmental provision	-	16
Total profits on the termination of an operation	-	14

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Notes to the financial statements for the year ended 31 December 2013 (continued)

6 Employee information

The average monthly number of persons (including directors) employed by the Company during the year was:

By activity	2013	2012
Operations	1	1
Administration	2	3
	3	4

7 Directors' emoluments

	2013	2012
	£'000	£'000
Aggregate emoluments (including pension contributions)	113	97

Included in directors' emoluments above is £18,000 (2012: £25,000) recharged to other group companies.

8 Interest receivable and similar income

	2013	2012
	£'000	£'000
Group interest receivable	-	26

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Notes to the financial statements for the year ended 31 December 2013 (continued)

9 Tax on profit/(loss) on ordinary activities

The tax is based on the profit/(loss) for the year and comprises:

	2013	2012
	£'000	£'000
Current tax:		
UK corporation tax at 23.25% (2012: 24.5%) based on the profit/(loss) for the year	-	-
Tax charge on profit/(loss) on ordinary activities	-	-

The tax assessed for the year is lower (2012: higher) than the average standard rate of corporation tax in the UK 23.25% (2012: 24.5%). The difference is explained below:

	2013	2012
	£'000	£'000
Profit/(loss) on ordinary activities before taxation	1,856	(906)
Profit/(loss) on ordinary activities multiplied by standard rate in the UK 23.25% (2012: 24.5%)	432	(222)
Effects of:		
Expenses not deductible for tax purposes	(9)	1
Profit on sale of investments and fixed assets subject to Capital Gains	-	1
Property valuation adjustment for tax purposes	617	(208)
Losses carried forward	-	428
Utilisation of losses brought forward	(1,040)	-
Tax on profit/(loss) on ordinary activities	-	-

Factors affecting the future tax charge

The Finance Act 2012 included legislation to reduce the main rate of corporation tax from 24% to 23% from 1 April 2013. The Finance Act 2013 enacted additional reductions to the main rate of corporation tax, applying a 21% corporation tax rate for the financial year beginning 1 April 2014 and a 20% corporation tax rate for the financial year beginning 1 April 2015. The unrecognised deferred tax asset at 31 December 2013, which is disclosed at Note 14, has been re-measured at 21%.

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Notes to the financial statements for the year ended 31 December 2013 (continued)

10 Stocks

	2013 £'000	2012 £'000
Land and property held for sale	572	629

11 Debtors: amounts falling due within one year

	2013 £'000	2012 £'000
Amounts owed by group undertakings	50	47
Other debtors	35	74
Prepayments and accrued income	12	12
	97	133

All debtor balances fall due within one year.

12 Creditors: amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	17	64
Taxation and social security	9	5
Accruals and deferred income	49	411
	75	480

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Notes to the financial statements for the year ended 31 December 2013 (continued)

13 Provisions for liabilities

	Environ- mental £'000	Re- mediation £'000	Total £'000
1 January 2013	914	3	917
Charged to the profit and loss account	36	-	36
Utilised during the year	(35)	(3)	(38)
31 December 2013	915	-	915

The environmental provision relates to the expected cost in respect of the Company's obligations on the remediation of land at Spondon sold to Celanese Corporation on 31 January 2007. A substantial proportion of the provision as at 31 December 2013 is expected to be utilised in the next three years.

The remediation provision relates to the cost of decommissioning and making safe two pipelines which originally supplied water to the Little Heath site from two external boreholes. This work was completed in 2010 and a retention payment of £3,000 was paid in 2013.

14 Deferred tax

No deferred tax asset has been recognised in the financial statements.

There is an unrecognised deferred tax asset of £2,433,810 (2012: £3,071,388) in respect of trading losses and other timing differences arising on the stock balance which could be utilised against future profits of the company. In addition, no deferred tax asset has been recognised in respect of capital losses of £2,371,000 (2012: £2,371,000).

15 Called up share capital

	2013 £'000	2012 £'000
Allotted and fully paid:		
18,000,000 (2012:18,000,000) £1 ordinary shares	18,000	18,000

Acetate Products Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

16 Reserves

	Profit and loss account
	£'000
1 January 2013	(16,732)
Profit for the financial year	1,856
31 December 2013	(14,876)

17 Reconciliation of movements in total shareholders' funds

	2013	2012
	£'000	£'000
Profit/(loss) for the financial year	1,856	(906)
Net increase/(decrease) in shareholders' funds	1,856	(906)
Opening shareholders' funds	1,268	2,174
Closing shareholders' funds	3,124	1,268

18 Commitments

There were no capital commitments at the end of the financial year (2012: £nil) which have not been provided for.

19 Related party transactions

Given that 100% of the Company's voting rights were controlled by Acordis Holding BV, the Company has taken advantage of the exemptions within Financial Reporting Standard Number 8 (Related Party Transactions) and not included details in these financial statements of transactions with other wholly owned Acordis Holding BV Group companies.

Derwent Cogeneration Limited

In January 2007 the Company purchased services from Derwent Cogeneration Limited, in which Acordis Beheer BV holds a 17.5% equity interest. At 31 December 2012 the Company owed £87,000 for these services. The Company also leased land to Derwent Cogeneration Limited and received a rent of £30,778 (2012: £29,855) in the year.

Directors

No director has had a material interest in any contract with the Company in either year.

Acetate Products Limited

Notes to the financial statements for the year ended 31 December 2013 (continued)

20 Immediate and ultimate parent undertaking and controlling party

Acetate Products Limited is a wholly owned subsidiary of Acordis Beheer BV, which is a wholly owned subsidiary undertaking of Acordis Holding BV. Both companies are incorporated in the Netherlands.

The ultimate parent undertaking and controlling party at 31 December 2013 is Acordis Holding BV, which is the parent undertaking of the largest and smallest group to consolidate these financial statements.

Copies of the consolidated financial statements of Acordis Holding BV are available from the Company Secretary, Westervoortsedijk 73, PO Box 9600, Arnhem 6800TC, The Netherlands.

21 Post balance sheet events

Since the year end the remaining 30 acres of land at Little Heath has been sold to Persimmon Homes Limited for £10.125 million. The sale was completed on 3 February 2014 with an initial payment of £0.488 million and deferred payments of £4.95 million and £4.687 million payable in August 2014 and August 2015 respectively. No tax will be payable on the profit in relation to the sale of this land, due to the availability of brought forward trading losses which are available to utilise against any taxable trading profit that may arise as a result of the sale.