

Registered number: 00217201

ACETATE PRODUCTS LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2017**



ACETATE PRODUCTS LIMITED

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ACETATE PRODUCTS LIMITED

COMPANY INFORMATION

DIRECTORS

AS Poulsom
P Shanley
JHH Smitsmans

REGISTERED NUMBER

00217201

REGISTERED OFFICE

Eversheds House
70 Great Bridgewater Street
Manchester
M1 5ES

INDEPENDENT AUDITORS

RSM UK Audit LLP
Suite A, 7th floor
City Gate East
Tollhouse Hill
Nottingham
NG1 5FS

ACETATE PRODUCTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present their annual report and the audited financial statements of Acetate Products Limited (the "Company") for the year ended 31 December 2017.

PRINCIPAL ACTIVITIES

The principal activity of the Company is the management and development of its land to maximise its potential value.

DIRECTORS

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

AS Poulson
P Shanley
JHH Smitsmans

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing 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 prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

ACETATE PRODUCTS LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017**

INDEPENDENT AUDITORS

The auditors, RSM UK Audit LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemptions.

On behalf of the board

A handwritten signature in black ink, appearing to be 'P Shanley', written over a horizontal line.

P Shanley
Director
24 July 2018

ACETATE PRODUCTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACETATE PRODUCTS LIMITED

Opinion

We have audited the financial statements of Acetate Products Limited (the 'company') for the year ended 31 December 2017 the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2017 and of its loss 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

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

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

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

ACETATE PRODUCTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACETATE PRODUCTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, 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.

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

RSM UK Audit LLP

Neil Stephenson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Suite A, 7th floor
City Gate East
Tollhouse Hill
Nottingham
NG1 5FS
24 July 2018

ACETATE PRODUCTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Note	2017 £000	2016 £000
Turnover		33	32
Cost of sales		(40)	(126)
Gross loss		(7)	(94)
Administrative expenses		(133)	(180)
Operating loss	4	(140)	(274)
Interest receivable and similar income		1	3
Loss on ordinary activities before taxation		(139)	(271)
Taxation	8	-	-
Loss for the financial year		(139)	(271)

The notes on pages 9 to 15 form part of these financial statements.

ACETATE PRODUCTS LIMITED
REGISTERED NUMBER:00217201

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	2017 £000	2016 £000
Current assets			
Stocks	5	5	
Debtors	10	802	857
Cash at bank and in hand		1,089	1,182
		<u>1,896</u>	<u>2,044</u>
Creditors: amounts falling due within one year	11	(106)	(75)
Net current assets		<u>1,790</u>	<u>1,969</u>
Total assets less current liabilities		<u>1,790</u>	<u>1,969</u>
Provisions for liabilities	13	(959)	(999)
Net assets		<u>831</u>	<u>970</u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account		830	969
Total shareholders' funds		<u>831</u>	<u>970</u>

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 July 2018 by:


P Shanley
 Director

The notes on pages 9 to 15 form part of these financial statements.

ACETATE PRODUCTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2017	1	969	970
Loss for the financial year	-	(139)	(139)
Total comprehensive income for the year	-	(139)	(139)
At 31 December 2017	1	830	831

FOR THE YEAR ENDED 31 DECEMBER 2016

	Called up share capital £000	Profit and loss account £000	Total shareholders' funds £000
At 1 January 2016	2,000	491	2,491
Loss for the financial year	-	(271)	(271)
Total comprehensive income for the year	-	(271)	(271)
Contributions by and distributions to owners			
Dividends	-	(1,250)	(1,250)
Share capital reduction	(1,999)	1,999	-
Total transactions with owners	(1,999)	749	(1,250)
At 31 December 2016	1	969	970

The profit and loss account comprises the cumulative profit and loss net of distributions to owners.

The notes on pages 9 to 15 form part of these financial statements.

ACETATE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

1. GENERAL INFORMATION

Acetate Products Limited (the "Company") is a property development company based in the UK.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Eversheds House, 70 Great Bridgewater Street, Manchester, M1 5ES.

2. STATEMENT OF COMPLIANCE

The individual financial statements of Acetate Products Limited have been prepared in accordance with FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than when additional disclosure is required to show a true and fair view.

3. ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared on a going concern basis and under the historical cost convention. The financial statements are prepared in Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £000.

The following principal accounting policies have been applied consistently throughout the year:

3.2 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 which is recognised on a straight line basis over the period of the lease.

3.3 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

3.4 STOCKS

All inventories 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.

ACETATE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

3. ACCOUNTING POLICIES (continued)

3.5 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.6 CASH AT BANK AND IN HAND

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

3.7 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out- right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.8 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

ACETATE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

3. ACCOUNTING POLICIES (continued)

3.9 FOREIGN CURRENCY TRANSLATION

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

3.10 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

3.11 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

3.12 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3.13 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

ACETATE PRODUCTS LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

3. ACCOUNTING POLICIES (continued)

3.14 TAXATION

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

4. OPERATING LOSS

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

	2017 £000	2016 £000
Rental income	(33)	(32)
Exchange differences	-	2
	<u> </u>	<u> </u>

5. AUDITORS' REMUNERATION

	2017 £000	2016 £000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	9	10
	<u> </u>	<u> </u>

ACETATE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

6. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2017 Number	2016 Number
Administration	5	5

7. DIRECTORS' REMUNERATION

	2017 £000	2016 £000
Aggregate directors' emoluments	27	41

Included in directors' emoluments above is £22,000 (2016: £20,000) recharged to other group companies.

8. TAXATION

	2017 £000	2016 £000
Corporation tax		
Current tax on profits for the financial year	-	-

9. DIVIDENDS

	2017 £000	2016 £000
Dividends paid equivalent to £nil (2016: £1,250) per £1 share	-	1,250

ACETATE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

10. DEBTORS

	2017 £000	2016 £000
Loan owed by holding company	754	753
Other amounts owed by holding company	47	102
Prepayments and accrued income	1	1
Other taxation and social security	-	1
	<u>802</u>	<u>857</u>

The loan owed by the company's holding company, Acordis Beheer BV, is unsecured, subject to a variable interest rate set by ING in the Netherlands and repayable by 30 June 2018. The other amounts owed by Acordis Beheer BV are unsecured, interest free and repayable on demand.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2017 £000	2016 £000
Trade creditors	20	15
Other taxation and social security	8	3
Accruals and deferred income	78	57
	<u>106</u>	<u>75</u>

12. DEFERRED TAXATION

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

There is an unrecognised deferred tax asset of £500,000 (2016: £484,000) in respect of unutilised trading losses of £2,939,000 (2016: £2,846,000) 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 (2016: £2,371,000).

ACETATE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017

13. PROVISIONS FOR LIABILITIES

	Closed business provision £000
At 1 January 2017	999
Charged to profit or loss	40
Utilised in year	(80)
At 31 December 2017	959

The provision relates to the expected cost of the Company's obligations in relation to former business activities including the remediation of land at Spondon sold to Celanese Corporation on 31 January 2007. A substantial proportion of the provision is expected to be utilised in the next two years.

14. CALLED UP SHARE CAPITAL

	2017 £000	2016 £000
ALLOTTED, CALLED UP AND FULLY PAID		
1,000 ordinary shares of £1 each	1	1

15. RELATED PARTY TRANSACTIONS

The Company leases land to Derwent Cogeneration Limited, in which Acordis Beheer BV holds a 17.5% equity interest. The Company has received rent of £33,310 (2016: £32,499) in the year and no amount is outstanding at year end.

16. 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 at 31 December 2016 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.

The ultimate controlling party is CVC Capital Partners due to their majority shareholding in the ultimate parent undertaking.

17. SUBSEQUENT EVENTS

The Company's land at Holme Lane, Spondon held in stocks at the year end was sold for £2.19 million in June 2018.