

Allnex UK Limited

Annual report and financial statements

Registered number 01637885

Year ended 31 December 2016

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Company Information

Directors

Kulvinder Kaur Bamrah
Duncan Adrian Taylor

Secretary

Citco Management (UK) Limited

Registered Office

7 Albemarle Street
London
W1S 4HQ

Auditor

KPMG LLP
Chartered Accountants and Statutory Auditors
8 Princes Parade
Liverpool
L3 1QH

Directors' report

The directors present their report and the financial statements of Allnex UK Limited (the "Company") for the year ended 31 December 2016.

The Company met the requirements in the Companies Act 2006 to obtain the exemption provided, based on its size, from the presentation of a Strategic report.

Principal activity

The Company's principal activity is to act as distributor and sales agent predominately for Allnex Belgium SA/NV, providing bonding and printing chemicals to the paper, automotive and general construction industries in the UK and Europe. There have not been any significant changes in the Company's principal activities in the year under review.

Business review

The result for the year set out in the Statement of Income on page 6 is a profit of £1,012,000 (2015: £400,000).

The directors do not intend to implement any major changes in the nature or operations of the business.

Dividends

During the year no interim dividend was paid (2015: £1,000,000). The directors do not recommend the payment of a final dividend (2015: £nil).

Directors

The directors who served throughout the year (except as noted) were:

Kulvinder Kaur Bamrah

Duncan Adrian Taylor

Disclosure of information to auditor

The directors 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 auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and KPMG LLP will therefore continue in office.

Approved by the Board of Directors and signed on behalf of the Board on 27 September 2017.



D A Taylor
Director

7 Albemarle Street
London
W1S 4HQ

Statement of directors' responsibilities in respect of the annual report and the financial statements

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 they 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 then apply them consistently;
- make judgements and 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; and
- 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 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
8 Princes Parade
Liverpool
L3 1QH
United Kingdom

Independent auditor's report to the members of Allnex UK Limited

We have audited the financial statements of Allnex UK Limited for the year ended 31 December 2016 set out on pages 6 to 14. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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 International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' report for the financial year is consistent with the financial statements.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Directors' report:

- we have not identified material misstatements in that report; and
- in our opinion, that report has been prepared in accordance with the Companies Act 2006.

Independent auditor's report to the members of Allnex UK Limited
(continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a Strategic report.



Hywel Jones (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
8 Princes Parade
Liverpool
L3 1QH
United Kingdom

Date: 28 September 2017

Statement of Income and Retained Earnings
for the year ended 31 December 2016

	<i>Note</i>	2016 £000	2015 £000
Turnover	2	5,685	6,369
Cost of sales		(4,039)	(5,506)
Gross profit		1,646	863
Administrative expenses		(754)	(500)
Operating profit	3	892	363
Other interest receivable and similar income	4	97	132
Interest payable and similar expenses	5	23	(89)
Profit on ordinary activities before taxation		1,012	406
Tax on profit on ordinary activities	7		(6)
Profit for the financial year		1,012	400
Dividends			(1,000)
Retained earnings at the beginning of the year		1,153	1,753
Retained earnings at the end of the year		2,165	1,153

There are no recognised gains or losses for the current and prior year other than those presented in the Statement of Income and Retained Earnings above. Accordingly no statement of Other Comprehensive Income has been presented. The results for the current and prior years are derived from continuing operations.

The only movements in equity are those arising from the profit or loss in the year and the dividends paid, hence a single Statement of Income and Retained Earnings has been prepared.

The accompanying notes are an integral part of the financial statements.

Balance Sheet
at 31 December 2016

	<i>Note</i>	2016 £000	2016 £000	2015 £000	2015 £000
Fixed assets					
Intangible assets	8		134		157
Current assets			134		157
Stocks	9	340		169	
Debtors	10	482		722	
Cash at bank and in hand		2,364		1,503	
		3,186		2,394	
Creditors: amounts falling due within one year	11	(1,155)		(1,398)	
Net current assets			2,031		996
Net assets			2,165		1,153
Equity					
Share capital	12				
Profit and loss account			2,165		1,153
Shareholders' funds			2,165		1,153

The accompanying notes are an integral part of the financial statements.

These financial statements were approved by the board of directors on 27 September 2017 and were signed on its behalf by:


D A Taylor
Director

Company registered number: 01637885

Notes (forming part of the financial statements)

1 Accounting Policies

Allnex UK Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

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") as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied. The presentation currency of these financial statements is sterling. All amounts in these financial statements have been rounded to the nearest £1,000.

The Company's parent undertaking, Allnex S.a.r.l includes the Company in its consolidated financial statements. The consolidated financial statements of Allnex S.a.r.l are available to the public. In these financial statements, the Company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Key management personnel compensation.

As the consolidated financial statements of Allnex S.a.r.l include the equivalent disclosures, the Company has also taken the exemption under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *basic financial instruments* and FRS 102.12 *other financial instruments*.

The Company has taken advantage of the exemption contained in FRS 102.33.1A not to disclose transactions with entities that are part of the group headed by Allnex S.a.r.l on the grounds that it is a wholly owned subsidiary and the consolidated financial statements of the Group are publicly available.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The Company's business activities, together with any factors likely to affect the future financial position are set out in the business review within the Directors' report.

Based on future group business plans, sales forecasts and customer orders, both short and long term, the Company is expected to generate positive cash flows on its own account for the foreseeable future.

After careful consideration of the Company's forecasts and projections, the directors concluded that the Company will be able to meet its obligations as they fall due. Accordingly, the directors believe that it is appropriate for the financial statements to be prepared on a going concern basis.

Notes (continued)

1 Accounting policies (continued)

1.10 Employee benefits

Defined contribution plans and other long term employee benefits

A defined contribution plan is a post-employment benefit plan under which the company pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an expense in the profit and loss account in the periods during which services are rendered by employees.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

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

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

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.

2 Turnover

The Company's principal activity is to act as distributor and sales agent predominately for Allnex Belgium SA/NV, providing bonding and printing chemicals to the paper, automotive and general construction industries in the UK and Europe.

All sales originated and were destined for the United Kingdom.

Notes (continued)

3 Expenses and auditor's remuneration

Included in profit were the following:

	2016 £000	2015 £000
Amortisation:		
- goodwill	23	22
Auditor's remuneration:		
- Audit of these financial statements	15	15
	<u>38</u>	<u>37</u>

4 Other interest receivable and similar income

	2016 £000	2015 £000
Net Commission Receivable	97	131
Interest receivable from parent undertakings	-	1
	<u>97</u>	<u>132</u>

5 Interest payable and similar charges

	2016 £000	2015 £000
Net foreign exchange (gains)/losses	(23)	89
	<u>(23)</u>	<u>89</u>

6 Staff numbers and costs

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	2016 No.	2015 No.
Sales	5	4
	<u>5</u>	<u>4</u>

The aggregate payroll cost of these persons were:

	2016 £000	2015 £000
Wages and salaries	357	217
Social security costs	98	31
Other pension costs	93	31
	<u>548</u>	<u>279</u>

No director received any remuneration from the Company in respect of their services during the year (2015: £nil).

Notes (continued)

7 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity

	2016 £000	2015 £000
<i>Current tax</i>		
Current tax on income for the period	-	6
Total current tax	-	6
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax	-	6

Reconciliation of effective tax rate

	2016 £000	2015 £000
Profit for the year	1,012	400
Total tax expense	-	(6)
Profit before taxation	1,012	406
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax of 20% (2015: 20.25%)	202	82
Expenses not deductible for tax purposes	-	1
Loss surrendered for nil proceeds	(202)	(77)
Total tax expense included in profit or loss	-	6

*During 2016 tax losses for corporation tax purposes were transferred from Allnex Holding UK Limited to Allnex UK Limited. No compensation was received by Allnex Holding UK Limited relating to this transfer.

Factors that may affect future current and total tax charges

A reduction in the UK corporation tax rate from 21% to 20% (effective from 1 April 2015) was substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015, and an additional reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future current tax charge accordingly.

Notes (continued)

8 Intangible assets

	Goodwill £000
Cost	
Balance at 1 January 2016 and 31 December 2016	444
Amortisation	
Balance at 1 January 2016	287
Charge for the year	23
Balance at 31 December 2016	310
Net book value	
At 31 December 2016	134
At 1 January 2016	157

9 Stocks

	2016 £000	2015 £000
Goods for resale	340	169

10 Debtors: amounts falling due within one year

	2016 £000	2015 £000
Trade debtors	425	522
Amounts owed by group companies	26	24
Other taxation and social security	31	176
	482	722

11 Creditors: amounts falling due within one year

The following amounts are included in creditors falling due within one year:

	2016 £000	2015 £000
Trade creditors	10	(8)
Corporation tax	40	-
Accruals	205	95
Other taxation and social security	193	176
Amounts owed to other group undertakings	707	1,135
	1,155	1,398

Notes (continued)

12 Called-up share capital

	2016 £000	2015 £000
Authorised, allotted, called-up and fully paid 100 ordinary shares of £1	<u>100</u>	<u>100</u>

13 Commitments

There were no contractual commitments at the balance sheet date (2015: £nil).

14 Contingencies

There were no contingencies at the balance sheet date (2015: £nil).

15 Related parties

As a wholly owned subsidiary within the group controlled by ALLNEX S.a.r.l, the Company is exempt from the requirements of FRS 102 'Related party transactions' from disclosing the transactions with other members of the group headed by ALLNEX S.a.r.l.. There were no transactions with any other related parties requiring disclosure in the year.

16 Ultimate parent company

During the year, the immediate parent is Allnex Holdings UK Limited, incorporated in England and Wales with a registered office at 7 Albemarle Street, London, W1S 4HQ.

Allnex UK Limited is a wholly-owned subsidiary of Allnex S.a.r.l. and operates as part of the Allnex Group.

The consolidated accounts of this group are available to the public and may be obtained from Allnex S.a.r.l. registered office at 76, Grand Rue, L-1660 Luxembourg R.C.S., Luxembourg: B 172.541.