

**Allnex UK Limited**

**Annual report and financial statements**

**Registered number 01637885**

**Year ended 31 December 2017**

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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  
15 Canada Square  
London  
E14 5GL

## Directors' report

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

The Company has taken advantage of the exemption contained in section 414B of the Companies Act 2006 not to prepare Strategic Report as it is eligible to prepare its financial statements in accordance with the small companies' regime.

### 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 £441,000 (2016: profit of £1,012,000).

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 (2016: *£nil*). The directors do not recommend the payment of a final dividend (2016: *£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 2018.



D A Taylor  
Director

## **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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLNEX UK LIMITED**

## **Opinion**

We have audited the financial statements of Allnex UK Limited ("the company") for the year ended 31 December 2017, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and related notes, including the accounting policies in note 1.

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 profit for the year then ended;
- have been properly prepared in accordance with UK accounting standards applicable to smaller entities, including Section 1A of 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 a sufficient and appropriate basis for our opinion.

## **Going concern**

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 twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Directors' report**

The directors are responsible for the directors' report. Our opinion on the financial statements does not cover that report and we do not express an audit opinion thereon.

Our responsibility is to read 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 directors' report;
- in our opinion the information given in that report for the financial year is consistent with the financial statements; and
- in our opinion that report has 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; or

- the directors were not entitled to take advantage of the small companies exemption from the requirement to prepare a strategic report.

We have nothing to report in these respects.

#### **Directors' responsibilities**

As explained more fully in their 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; 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](http://www.frc.org.uk/auditorsresponsibilities).

#### **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.



**Toby Odell (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
 15 Canada Square  
 London  
 E14 5GL  
 United Kingdom

28 September 2018

**Statement of Income and Retained Earnings**  
*for the year ended 31 December 2017*

	<i>Note</i>	<b>2017</b> <b>£000</b>	2016 £000
<b>Turnover</b>	<b>2</b>	<b>4,976</b>	5,685
Cost of sales		<b>(4,072)</b>	(4,039)
<b>Gross profit</b>		<b>904</b>	1,646
Administrative expenses		<b>(630)</b>	(754)
<b>Operating profit</b>	<b>3</b>	<b>274</b>	892
Other interest receivable and similar income	<b>4</b>	<b>225</b>	97
Interest payable and similar expenses	<b>5</b>	<b>(58)</b>	23
<b>Profit on ordinary activities before taxation</b>		<b>441</b>	1,012
Tax on profit on ordinary activities	<b>7</b>	-	-
<b>Profit for the financial year</b>		<b>441</b>	1,012
Dividends		-	-
Retained earnings at the beginning of the year		<b>2,165</b>	1,153
Retained earnings at the end of the year		<b>2,606</b>	2,165

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 on pages 8 to 14 are an integral part of the financial statements.




**Balance Sheet**  
**at 31 December 2017**

	<i>Note</i>	<b>2017 £000</b>	<b>2017 £000</b>	<b>2016 £000</b>	<b>2016 £000</b>
<b>Fixed assets</b>					
Intangible assets	8		112		134
<b>Current assets</b>			112		134
Stocks	9	234		340	
Debtors ( £ nil due after more than one year)	10	254		482	
Cash at bank and in hand		2,656		2,364	
		3,144		3,186	
<b>Creditors: amounts falling due within one year</b>	11	(650)		(1,155)	
<b>Net current assets</b>			2,494		2,031
<b>Net assets</b>			2,606		2,165
<b>Equity</b>					
Share capital	12		-		-
Profit and loss account			2,606		2,165
<b>Shareholders' funds</b>			2,606		2,165

The accompanying notes on pages 8 to 14 are an integral part of the financial statements.

These financial statements were approved by the board of directors on 27 September 2018 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 January 2017 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)

#### 1.3 Basic financial instruments

##### *Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price plus attributable transaction costs. Trade and other creditors are recognised initially at transaction price less attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash balances and call deposits.

#### 1.4 Impairment excluding stocks and deferred tax assets

##### *Financial assets (including trade and other debtors)*

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### 1.5 Foreign currencies

Transactions expressed in foreign currencies have been translated into sterling at the rates of exchange approximating to those ruling at the date of the transaction. Monetary assets and liabilities have been translated at rates ruling at the balance sheet date. Exchange differences have been recognised in the profit and loss account.

#### 1.6 Intangible fixed assets

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses.

Amortisation is charged to the profit and loss and is calculated so as to write off the cost of the asset over the directors' estimate of its useful economic life as follows:

Goodwill - 20 years

The Company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date.

Goodwill and other intangible assets are tested for impairment in accordance with Section 27 *Impairment of assets of IFRS 102* when there is an indication that goodwill or an intangible asset may be impaired.

#### 1.7 Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. Provision is made for obsolete and slow moving items. Provision is recognised when the facts and circumstances indicate that the inventory cost value will not be recoverable, in part or in full.

Consignment inventory can be defined as inventory owned by allnex (seller) that is stored in storage facilities at the premises (normally plants) of a third party (buyer). A third party can withdraw materials from the consigned inventory for use in his manufacturing process. Recorded values and quantities of consignment inventory need to agree with the actual quantities of the consignment inventory as held at the premises of the buyer.

#### 1.8 Dividends on shares presented within shareholders' funds

Dividends unpaid at the balance sheet date are only recognised as a liability at that date to the extent that they are appropriately authorised and are no longer at the discretion of the Company. Unpaid dividends that do not meet these criteria are disclosed in the notes to the financial statements.

#### 1.9 Turnover

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers.

## 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:*

	2017 £000	2016 £000
Amortisation:		
- goodwill	22	23
Auditor's remuneration:		
- Audit of these financial statements	15	15
	<u>27</u>	<u>38</u>

### 4 Other interest receivable and similar income

	2017 £000	2016 £000
Net Commission Receivable	108	97
Interest receivable from Group	117	-
	<u>225</u>	<u>97</u>

### 5 Interest payable and similar charges

	2017 £000	2016 £000
Net foreign exchange losses/ (gains)	58	(23)
	<u>58</u>	<u>(23)</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:

	2017 No.	2016 No.
Sales	4	5
	<u>4</u>	<u>5</u>

The aggregate payroll costs of these persons were:

	2017 £000	2016 £000
Wages and salaries	260	357
Social security costs	53	98
Other pension costs	50	93
	<u>363</u>	<u>548</u>

No director received any remuneration from the Company in respect of their services during the year (2016: £nil).

## Notes (continued)

### 7 Taxation

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

	2017 £000	2016 £000
<i>Current tax</i>		
Current tax on income for the period	-	-
Total current tax	-	-
<i>Deferred tax</i>		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Total tax	-	-

#### Reconciliation of effective tax rate

	2017 £000	2016 £000
Profit for the year	441	1,012
Total tax expense	-	-
Profit before taxation	441	1,012
Profit on ordinary activities before tax multiplied by the standard rate of corporation tax of 19.25% (2016: 20%)	85	202
Group relief received	(85)	(202)
Total tax expense	-	-

\*During 2017 tax profit for corporation tax purposes was transferred from Allnex Holding UK Limited to Allnex Resins 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 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
<b>Cost</b>	
Balance at 1 January 2017 and 31 December 2017	444
<b>Amortisation</b>	
Balance at 1 January 2017	310
Charge for the year	22
Balance at 31 December 2017	332
<b>Net book value</b>	
At 31 December 2017	112
At 1 January 2017	134

### 9 Stocks

	2017 £000	2016 £000
Finished goods for resale	234	340

### 10 Debtors: amounts falling due within one year

	2017 £000	2016 £000
Trade debtors	176	425
Amounts owed by group companies	59	26
Other taxation and social security	27	31
	262	482

### 11 Creditors: amounts falling due within one year

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

	2017 £000	2016 £000
Trade creditors	20	10
Corporation tax	-	40
Accruals	106	205
Other taxation and social security	93	193
Amounts owed to other group undertakings	431	707
	650	1,155

## Notes (continued)

### 12 Called-up share capital

	2017 £000	2016 £000
Authorised, allotted, called-up and fully paid 100 ordinary shares of £1	-	-

### 13 Commitments

There were no contractual commitments at the balance sheet date (2016: £nil).

### 14 Contingencies

There were no contingencies at the balance sheet date (2016: £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.