

Registration number: 02225761

# Euroresins UK Limited

Annual Report and Audited Financial Statements

for the Year Ended 31 December 2015



# **Euroresins UK Limited**

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# **Euroresins UK Limited**

## **Company Information**

### **Directors**

E J Putwain  
M Abagnale  
B Chaing  
K Johnson

### **Company secretary**

C L Thompson

### **Registered office**

Cloister Way  
Bridges Road  
Ellesmere Port  
Cheshire  
CH65 4EL

### **Independent Auditor**

Grant Thornton UK LLP  
Grant Thornton House  
Melton Street  
Euston Square  
Euston  
London  
NW1 2EP

## **Euroresins UK Limited**

### **Strategic Report for the Year Ended 31 December 2015**

The directors present their Strategic Report for the year ended 31 December 2015.

#### **Results and dividends**

The company made a profit for the year, after taxation, amounting to £2,238,563 (2014: profit of £1,436,693). No dividend has been paid in 2015 (2014: £Nil). The directors do not recommend payment of a final dividend. The retained profit of £2,238,563 will be transferred to reserves.

#### **Fair review of the business**

On the 2 March 2015 the Euroresins group of Companies, including Euroresins UK Limited, were sold to Cathay Investments Limited. As a consequence of the sale Euroresins UK Limited entered an agency commission agreement with Aliancys AG (formerly DSM Composite Resins AG) for direct sales from Aliancys AG to UK customers.

In September 2015 Euroresins UK Limited acquired inventory from Cathay Composites Limited another group company and distribution was transferred to Euroresins UK Limited.

The company's key financial and other performance indicators during the year were as follows:

	<b>Unit</b>	<b>2015</b>	<b>2014</b>
Turnover	£000	24,931.00	27,307.00
Fixed costs	£000	2,818.00	2,883.00

The main KPI's used within the business for 2015 to monitor performance are, turnover excluding intercompany and fixed costs which are compared to the budget.

Turnover excluding intercompany for 2015 decreased from 2014 a number of resin customers being transferred to an agency commission basis. Fixed costs, which are split in the profit and loss account into distribution and administration costs, were slightly below 2014, no particular area can be attributed to the savings.

## **Euroresins UK Limited**

### **Strategic Report for the Year Ended 31 December 2015**

#### **Principal risks and uncertainties**

The principal risks and uncertainties facing the company are broadly grouped as:-competitive, legislative, foreign currency, interest rate, credit and liquidity risk.

##### **Competitive risk**

The UK market is at risk from imports from outside Europe at cheaper prices. Changes in technology also can have an effect on the market. Pricing within the commercial and supply chain can be uncertain due to the nature of some of the raw materials.

##### **Legislative risk**

Legislative (compliance) risks concern issues such as health and safety, environmental, trade description, consumer protection, data protection, employment practices and regulatory issues. The company must identify the risks, assign accountability and allocate the appropriate resources to mitigate the risk. Failure to comply will potentially have a detrimental affect on the company, ranging from additional costs to possible cessation of operations.

Besides UK and European Standards, the company also applies its own strict internal compliance requirements.

##### **Foreign currency risk**

The company has operations outside of the UK and it buys and sells goods and services denominated in currencies other than sterling. As a result, the value of the company's non-sterling revenues, purchases, financial assets and liabilities and cash flows can be affected significantly by movements in exchange rates in general and in the Euro rate in particular. The company's transactional currency exposure arises from sales or purchases in currencies other than its functional currency. It is the company's policy not to enter into forward contracts.

##### **Interest rate risk**

The company does not have any external debt. The company has exposure to changes in interest rates via the group in-house cash bank accounts. The interest rates on these accounts are managed by DSM Treasury.


##### **Credit risk**

During 2015 the company continued to focus on reducing overdue amounts and constantly updated the targets set for overdue accounts, debtors' days and doubtful debts expense against which performance is monitored.

##### **Liquidity risk**

The company mitigates liquidity risk by managing cash generation by its operations, applying cash collection targets and setting authorisation limits for investment.

Approved by the Board on 29 September 2016 and signed on its behalf by:

  
.....  
B Chaling  
Director

## **Euroresins UK Limited**

### **Directors' Report for the Year Ended 31 December 2015**

The directors present their report and the financial statements for the year ended 31 December 2015.

#### **Principal activity**

The principal activity of the company is the distribution of products to the thermoset industry.

#### **Directors of the company**

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

E J Putwain

M Abagnale

C L Thompson (resigned 2 March 2015)

B Chaing (appointed 2 March 2015)

K Johnson (appointed 2 March 2015)

#### **Financial instruments**

#### **Objectives and policies**

The company does not have a formal treasury team. This function is performed by local management and the parent company. Financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities. The company does not enter into interest rate swaps or forward currency contracts. The company does not trade in financial instruments.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations, including Financial Reporting Standard FRS 102, the Financial Reporting standard applicable in the UK and Republic of Ireland.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 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.

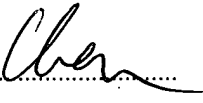
## **Euroresins UK Limited**

### **Directors' Report for the Year Ended 31 December 2015**

#### **Disclosure of information to the auditor**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved by the Board on 29 September 2016 and signed on its behalf by:

.....  
B Chaing  
Director

## **Independent auditor's report to the members of Euroresins UK Limited**

We have audited the financial statements of Euroresins UK Limited for the year ended 31 December 2015 which comprise the Statement of income and retained earnings, the Balance sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom 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](http://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 2015 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.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.



## **Independent auditor's report to the members of Euroresins 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.

*Grant Thornton UK LLP*

### **Marc Summers**

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

**London**

Date: 29 September 2016

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## **Euroresins UK Limited**

### **Statement of Income and Retained Earnings for the Year Ended 31 December 2015**

	<b>Note</b>	<b>2015 £</b>	<b>2014 £</b>
Turnover	4	24,931,304	27,307,129
Cost of sales		<u>(19,197,504)</u>	<u>(22,605,870)</u>
Gross profit		5,733,800	4,701,259
Distribution costs		(1,570,283)	(1,443,732)
Administrative expenses		<u>(1,513,469)</u>	<u>(1,439,746)</u>
Operating profit	5	<u>2,650,048</u>	<u>1,817,781</u>
Other interest receivable and similar income	6	242,729	9,190
Interest payable and similar charges	9	<u>(88,300)</u>	<u>(128)</u>
		<u>154,429</u>	<u>9,062</u>
Profit on ordinary activities before taxation		2,804,477	1,826,843
Taxation	10	<u>(565,914)</u>	<u>(390,150)</u>
Profit for the financial year		2,238,563	1,436,693
Retained earnings brought forward		<u>2,404,785</u>	<u>968,092</u>
Retained earnings carried forward		<u><u>4,643,348</u></u>	<u><u>2,404,785</u></u>

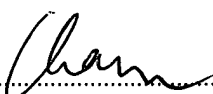
# Euroresins UK Limited

(Registration number: 02225761)

## Balance Sheet as at 31 December 2015

	Note	2015 £	2014 £
<b>Fixed assets</b>			
Tangible assets	11	-	-
<b>Current assets</b>			
Stocks	12	2,807,343	1,908,108
Debtors	13	13,963,815	9,662,048
Cash at bank		<u>731,431</u>	<u>336,722</u>
		17,502,589	11,906,878
<b>Creditors: Amounts falling due within one year</b>	14	<u>(8,559,239)</u>	<u>(5,202,091)</u>
<b>Net current assets</b>		<u>8,943,350</u>	<u>6,704,787</u>
<b>Net assets</b>		<u>8,943,350</u>	<u>6,704,787</u>
<b>Capital and reserves</b>			
Called up share capital	16	4,300,002	4,300,002
Profit and loss account	17	<u>4,643,348</u>	<u>2,404,785</u>
		<u>8,943,350</u>	<u>6,704,787</u>

Approved and authorised by the Board on 29 September 2016 and signed on its behalf by:

  
 .....  
 B Chaing  
 Director

# **Euroresins UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2015**

### **1 General information**

The company is a private company limited by share capital incorporated in Great Britain.

The address of its registered office and principal place of business is:

Cloister Way  
Bridges Road  
Ellesmere Port  
Cheshire  
CH65 4EL

These financial statements were authorised for issue by the Board on 29 September 2016.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

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

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', and the Companies Act 2006.

This is the first year in which the financial statements have been prepared under FRS 102. Refer to note 21 for an explanation of the transition.

#### **Basis of preparation**

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

The financial statements are presented in Sterling (£).

#### **Summary of disclosure exemptions**

The company meets the definition of a qualifying entity under FRS 102 and has therefore taken the advantage of the disclosure exemptions available to it in respect of its separate financial statements. The company has adopted the following disclosure exemptions:

- the requirement to present a statement of cash flows and related notes
- financial instrument disclosures, including:
  - i) categories of financial instruments,
  - ii) items of income, expenses, gains or losses relating to financial instruments, and
  - iii) exposure to and management of financial risks
- key management personnel compensation in total.

#### **Going concern**

The financial statements have been prepared on a going concern basis as the directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

## **Euroresins UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have transferred to the buyer. This is usually at the point that the goods have been dispatched to the customer.

#### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

#### **Tax**

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

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

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profit.

#### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

#### **Depreciation**

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Short term leasehold improvements	10% per annum straight line
Machinery	10% per annum straight line
Office equipment	25-33% per annum straight line

#### **Cash and cash equivalents**

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

**Trade debtors**

Trade debtors are amounts due from customers for merchandise sold in the ordinary course of business.

Trade debtors with no stated interest rate and receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

**Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

**Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors with no stated interest rate and payable within one year are recorded at transaction price.

**Provisions**

Provisions are recognised when the company has an obligation at the balance sheet date as a result of a past event, it is probable that an outflow of economic benefits will be required in settlement and the amount can be reliably estimated.

**Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

**Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

**Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expenses when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## **Euroresins UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **Financial instruments**

##### **Classification**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

##### **Recognition and measurement**

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the conditions set out by FRS 102 to be classified as basic financial instruments are subsequently measured at amortised cost using the effective interest method.

Debt instruments that have no stated interest rate (and do not constitute a financing transaction) and are classified as payable or receivable within one year are initially measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

##### **Impairment**

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

##### **Other employee benefits**

When employees have rendered a service to the company, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

## Euroresins UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 3 Critical accounting judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period if the revision and future periods of the revision affects both current and future periods.

#### Judgements

Stock valuation - Stocks are stated at the lower of cost and net realisable value. The determination of stock provisions requires significant judgement. In making this judgement the company evaluates amongst other factors the age and physical condition of inventory and its expected saleability based on forecast demand for the products taking into account expected trading conditions.

#### 4 Revenue

The analysis of the company's revenue for the year from continuing operations is as follows:

	2015 £	2014 £
Sale of goods	<u>24,931,304</u>	<u>27,307,129</u>

The analysis of the company's turnover for the year by geographical location is as follows:

	2015 £	2014 £
Sales - UK	23,193,876	26,229,931
Europe	1,116,373	1,077,198
Rest of world	<u>621,055</u>	<u>-</u>
	<u>24,931,304</u>	<u>27,307,129</u>

#### 5 Operating profit

Arrived at after charging/(crediting):

	2015 £	2014 £
Foreign exchange (gains)/losses	(145,590)	(91,668)
Operating lease expense - property	98,750	98,750
Operating lease expense - plant and machinery	47,926	69,726
Auditor's remuneration for audit services	-	19,900
Other fees to auditors	<u>-</u>	<u>4,500</u>



# **Euroresins UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2015**

### **6 Other interest receivable and similar income**

	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Interest from group companies	240,768	9,159
Other interest receivable	<u>1,961</u>	<u>31</u>
	<u><u>242,729</u></u>	<u><u>9,190</u></u>

### **7 Staff costs**

The aggregate payroll costs (including directors' remuneration) were as follows:

	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Wages and salaries	969,836	907,676
Social security costs	108,167	73,852
Staff pensions	<u>42,187</u>	<u>109,860</u>
	<u><u>1,120,190</u></u>	<u><u>1,091,388</u></u>

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

	<b>2015</b> <b>No.</b>	<b>2014</b> <b>No.</b>
Management	<u>26</u>	<u>26</u>

### **8 Directors' remuneration**

The directors' remuneration for the year was as follows:

	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Remuneration	<u>147,724</u>	<u>205,884</u>

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

	<b>2015</b> <b>No.</b>	<b>2014</b> <b>No.</b>
Accruing benefits under defined benefit pension scheme	<u>-</u>	<u>2</u>

### **9 Interest payable and similar charges**

	<b>2015</b> <b>£</b>	<b>2014</b> <b>£</b>
Other interest payable	1,630	128
Other finance costs	83,039	-
Interest payable on loans from group undertakings	<u>3,631</u>	<u>-</u>
	<u><u>88,300</u></u>	<u><u>128</u></u>

## Euroresins UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 10 Taxation

Tax charged/(credited) in the income statement:

	2015 £	2014 £
<b>Current taxation</b>		
UK corporation tax	567,964	396,759
UK corporation tax adjustment to prior periods	(3,118)	(9,517)
	<u>564,846</u>	<u>387,242</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	5,198	4,490
Deferred tax adjustment in respect of prior periods	(4,130)	(1,582)
Total deferred taxation	<u>1,068</u>	<u>2,908</u>
Tax expense in the income statement	<u>565,914</u>	<u>390,150</u>

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2014 - lower than the standard rate of corporation tax in the UK) of 20.25% (2014 - 21.5%).

The differences are reconciled below:

	2015 £	2014 £
Profit before tax	<u>2,804,477</u>	<u>1,826,843</u>
Corporation tax at standard rate	567,907	392,771
Effect of expense not deductible in determining taxable profit	3,857	8,814
UK deferred tax expense/(credit) relating to changes in tax rates or laws	1,493	-
Deferred tax expense (credit) from unrecognised temporary difference from a prior period	(4,130)	-
Increase/(decrease) in tax from adjustment for prior periods	(3,118)	(9,517)
Tax increase/(decrease) from effect of capital allowances and depreciation	-	(3,018)
Tax increase/(decrease) from other short-term timing differences	-	(1,808)
Other tax effects for reconciliation between accounting profit and tax expense/(income)	<u>(95)</u>	<u>2,908</u>
Total tax charge	<u>565,914</u>	<u>390,150</u>

#### Deferred tax

Deferred tax assets and liabilities

	Asset £
<b>2015</b>	
Decelerated capital allowances	13,847
Other timing differences	-
	<u>13,847</u>

## Euroresins UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

	Asset £
<b>2014</b>	
Decelerated capital allowances	14,377
Other timing differences	538
	<u>14,915</u>

#### 11 Tangible assets

	Short leasehold land and buildings £	Furniture, fittings and equipment £	Other property, plant and equipment £	Total £
<b>Cost or valuation</b>				
At 1 January 2015	304,692	52,123	153,520	510,335
At 31 December 2015	304,692	52,123	153,520	510,335
<b>Depreciation</b>				
At 1 January 2015	304,692	52,123	153,520	510,335
At 31 December 2015	304,692	52,123	153,520	510,335
<b>Carrying amount</b>				
At 31 December 2015	-	-	-	-
At 31 December 2014	-	-	-	-

#### 12 Stocks

	2015 £	2014 £
Finished goods and goods for resale	<u>2,807,343</u>	<u>1,908,108</u>

The cost of stocks recognised as an expense in the year amounted to £17,125,079 (2014 - £22,697,538).

#### Impairment of stocks

The amount of impairment loss included in profit or loss is £39,436 (2014 - £Nil). The impairment loss is included in purchases, within cost of sales. The amount of reversal of impairment recognised in profit or loss is £Nil (2014 - £5,462). The reversal of impairment is included in purchases, within cost of sales.

## Euroresins UK Limited

### Notes to the Financial Statements for the Year Ended 31 December 2015

#### 13 Debtors

	Note	2015 £	2014 £
Trade debtors		4,646,279	4,440,589
Amounts owed by group undertakings		9,114,580	5,140,583
Other debtors		46,196	-
Prepayments and accrued income		142,913	65,961
Deferred tax assets	10	<u>13,847</u>	<u>14,915</u>
Total current trade and other debtors		<u>13,963,815</u>	<u>9,662,048</u>

#### 14 Creditors

	Note	2015 £	2014 £
<b>Due within one year</b>			
Trade creditors		3,839,691	1,996,911
Amounts owed to group undertakings		309,094	2,162,209
Corporation tax liability		325,719	236,488
Social security and other taxes		730,004	683,387
Other payables		2,925,205	-
Accrued expenses		<u>429,526</u>	<u>123,096</u>
		<u>8,559,239</u>	<u>5,202,091</u>

#### 15 Deferred tax and other provisions

	Deferred tax £
At 1 January 2015	(14,915)
Increase/(decrease) in existing provisions	<u>1,068</u>
At 31 December 2015	<u>(13,847)</u>

# **Euroresins UK Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2015**

### **16 Share capital**

#### **Allotted, called up and fully paid shares**

	No.	2015 £	No.	2014 £
Ordinary shares of £1 each	<u>4,300,002</u>	<u>4,300,002</u>	<u>4,300,002</u>	<u>4,300,002</u>

### **17 Reserves**

#### **Called up share capital - ordinary shares**

Represents the nominal value of shares that have been issued.

#### **Profit and loss account**

Includes all current and prior period retained profits and losses.

### **18 Obligations under leases and hire purchase contracts**

#### **Operating leases**

The total of future minimum lease payments is as follows:

	2015 £	2014 £
Not later than one year	176,996	108,735
Later than one year and not later than five years	444,039	177,902
Later than five years	<u>590,890</u>	<u>15,204</u>
	<u>1,211,925</u>	<u>301,841</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £146,676 (2014 - £168,476).

### **19 Contingent liabilities**

The company has given cross guarantees to the group's bankers in respect of borrowings by certain group companies. The amount guaranteed is £2,820,250 (2014: £Nil).

### **20 Related party transactions**

#### **Summary of transactions with other related parties**

Amethyst Group Limited, under common control

During the year the company was invoiced for services totalling £100,719 (2014: £Nil) by Amethyst Group Limited. At the balance sheet date the amount due to Amethyst Group Limited was £Nil (2014: £Nil).

The company has taken advantage of the exemption in Section 33 of FRS 102 'Related Party Disclosures' from disclosing transactions with other wholly owned members of the group.

## **Euroresins UK Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2015**

#### **21 Parent and ultimate parent undertaking**

The company's immediate parent is Euroresins International GmbH, incorporated in Germany.

On the 2 March 2015 the Euroresins group of companies, including Euroresins UK Limited, were sold to Cathay Investments Limited.

Prior to the 2 March 2015 the ultimate parent and controlling party was DSM N.V., a company incorporated in the Netherlands.

From the 2 March 2015, the ultimate parent is Cathay Investments Limited, incorporated in England and Wales. The ultimate controlling party is B Chaing, by virtue of his majority shareholding in Cathay Investments Limited.

The most senior parent entity producing publicly available financial statements is Cathay Investments Limited. These financial statements are available upon request from A2 Yeoman Gate, Yeoman Way, Worthing, West Sussex, BN13 3QZ.

#### **22 Transition to FRS 102**

This is the first year that the company has presented its financial statements under FRS 102. The company has applied Section 35 'Transition to this FRS', of FRS 102 in preparing these financial statements. The last financial statements for the year ended 31 December 2014 were prepared under the previous Financial Reporting Standards and the transition date to FRS 102 is therefore 1 January 2014.

In adopting FRS 102 there have been no changes to the company's reported reserves.