

Company Registration No. 02610309 (England and Wales)

VIVANCO UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2015
PAGES FOR FILING WITH REGISTRAR



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Victoria Street
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Rayner Essex LLP
Chartered Accountants

VIVANCO UK LIMITED

COMPANY INFORMATION

Director	Mr P Gerding
Secretary	Miss D Brown
Company number	02610309
Registered office	Vivanco House Luton Enterprise Park Sundon Park Road Luton Bedfordshire LU3 3GU
Auditors	Rayner Essex LLP Faulkner House Victoria Street St Albans Herts AL1 3SE

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BALANCE SHEET

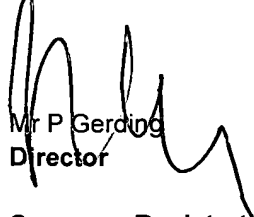
AS AT 31 DECEMBER 2015

	Notes	2015 £	£	2014 £	£
Fixed assets					
Tangible assets	5		10,481		18,292
Current assets					
Stocks		429,052		316,478	
Debtors	7	552,722		578,579	
Cash at bank and in hand		39,821		18,134	
		<u>1,021,595</u>		<u>913,191</u>	
Creditors: amounts falling due within one year	8	<u>(555,741)</u>		<u>(1,071,275)</u>	
Net current assets/(liabilities)			465,854		(158,084)
Total assets less current liabilities			476,335		(139,792)
Creditors: amounts falling due after more than one year	9		(1,321,633)		(626,153)
Provisions for liabilities			9,136		9,136
Net liabilities			<u>(836,162)</u>		<u>(756,809)</u>
Capital and reserves					
Called up share capital	11		300,000		300,000
Profit and loss reserves	12		(1,136,162)		(1,056,809)
Total equity			<u>(836,162)</u>		<u>(756,809)</u>

The director of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved and signed by the director and authorised for issue on 17 February 2016


Mr P Gerding
Director

Company Registration No. 02610309

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

Company information

Vivanco UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Vivanco House, Luton Enterprise Park, Sundon Park Road, Luton, Bedfordshire, LU3 3GU.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and 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 where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared on the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2015 are the first financial statements of Vivanco UK Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2014.

1.2 Going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. The validity of this assumption depends on the continued support of the company's immediate parent company, Vivanco GmbH. Confirmation that this support will continue has been obtained from the directors of the parent company. In addition to the 800,000 euro loan in the prior year, on 1 December 2015 a 37 month loan of 1,000,000 euros has been provided to the Company. Interest is being charged at 3.5% pa and no schedule of repayments have been agreed. The support is reviewed annually by Vivanco GmbH.

1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Fixtures, fittings & equipment	20 - 33 1/3% per annum on cost
Motor vehicles	20 - 33 1/3% per annum on cost

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the profit and loss account.

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.6 Stocks

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publically traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

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.

Basic financial liabilities

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

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.

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the 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.

1.11 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to the profit and loss account so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.13 Foreign exchange

Foreign currency transactions are translated at a standard monthly rate. Monetary assets and liabilities are translated into sterling at the rates ruling at the balance sheet date or the rate of relevant forward exchange contracts. Any exchange differences arising are taken to the profit and loss account in the period in which they arise.

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount 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 where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation

Depreciation is calculated to write down assets to their residual value at the end of their useful economic life to the company. The rates are reviewed periodically to ensure that they are an accurate estimation.

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

3 Employees

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

	2015 Number	2014 Number
Total	2	2
Selling and distribution	10	15
	<u>12</u>	<u>17</u>

4 Taxation

	2015 £	2014 £
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The charge for the year can be reconciled to the loss per the profit and loss account as follows:

	2015 £	2014 £
Loss before taxation	<u>(79,353)</u>	<u>(489,265)</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2014: 20.00%)	(15,871)	(97,853)
Tax effect of expenses that are not deductible in determining taxable profit	-	471
Unutilised tax losses carried forward	15,365	95,778
Permanent capital allowances in excess of depreciation	506	-
Depreciation on assets not qualifying for tax allowances	<u>-</u>	<u>1,604</u>
Tax expense for the year	<u>-</u>	<u>-</u>

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

5 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2015	622,313
Additions	7,494
At 31 December 2015	629,807
Depreciation and impairment	
At 1 January 2015	604,021
Depreciation charged in the year	15,305
At 31 December 2015	619,326
Carrying amount	
At 31 December 2015	10,481
At 31 December 2014	18,292

6 Financial instruments

	2015 £	2014 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	485,113	502,574
Carrying amount of financial liabilities		
Measured at amortised cost	1,822,190	1,624,841

7 Debtors

	2015 £	2014 £
Amounts falling due within one year:		
Trade debtors	485,113	471,590
Amounts due from group undertakings	-	30,000
Other debtors	67,609	76,989
	552,722	578,579

Trade debtors disclosed above are measured at amortised cost.

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

8 Creditors: amounts falling due within one year

	Notes	2015 £	2014 £
Trade creditors		54,200	149,746
Amounts due to group undertakings		84,125	383,529
Other taxation and social security		55,184	72,587
Other creditors		362,232	465,413
		<u>555,741</u>	<u>1,071,275</u>

Included in Other creditors above is £163,380 (2014: £171,770) relating to trade debt facility. This facility is secured by fixed and floating charges over the company's assets

9 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Amounts due to group undertakings	1,321,200	623,120
Other creditors	433	3,033
	<u>1,321,633</u>	<u>626,153</u>

On 01.12.15 a 37 month loan of 1,000,000 Euros has been provided to the Company by the parent company Vivanco GmbH. Interest is being charged at 3.5% pa and no schedule of repayments have been agreed. The support is reviewed annually by Vivanco GmbH.

In addition, other loans includes an 800,000 Euro loan from Vivanco GmbH which is due to be repaid on 31.12.16.

10 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2015 £	Liabilities 2014 £
Balances:		
Deaccelerated capital allowances	<u>(9,136)</u>	<u>(9,136)</u>

There were no deferred tax movements in the year.

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2015

11 Called up share capital

	2015 £	2014 £
Ordinary share capital		
Authorised		
320,000 "A" Ordinary Shares of £1 each of £1 each	320,000	320,000
80,000 "B" Ordinary Shares of £1 each of £1 each	80,000	80,000
	<u>400,000</u>	<u>400,000</u>
Issued and fully paid		
240,000 "A" Ordinary Shares of £1 each of £1 each	240,000	240,000
60,000 "B" Ordinary Shares of £1 each of £1 each	60,000	60,000
	<u>300,000</u>	<u>300,000</u>

In respect of dividends payable and in the event of winding up the A and B ordinary shares rank pari passu. The B ordinary shares however have no voting rights attaching to them.

12 Reserves

	2015 £	2014 £
At the beginning of the year	(1,056,809)	(567,544)
Loss for the year	(79,353)	(489,265)
At the end of the year	<u>(1,136,162)</u>	<u>(1,056,809)</u>

13 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditor's report was unqualified.

In forming our opinion, which is not qualified, we have considered the adequacy of the disclosures made in note 1 of the financial statements concerning the company's ability to continue as a going concern. The company relies on the continuing support from the immediate parent company, Vivanco GmbH and at 31 December 2015 the company's retained profit and loss account showed a negative position of £1,136,162 and net negative shareholders funds £836,162. These conditions indicate the existence of material uncertainty which may cast doubt about the company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the company was unable to continue as a going concern.

The senior statutory auditor was Mr Antony Federer FCCA ACA CF
The auditor was Rayner Essex LLP

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2015

14 Operating lease commitments

Lessee

Included in the figure below, the Company is committed to lease payments on their premises of £195,000 pa until March 2017.

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2015 £	2014 £
Between two and five years	256,119	458,187

15 Related party transactions

No guarantees have been given or received.

16 Parent company

The immediate parent company is Vivanco GmbH.

The ultimate parent and controlling party is Ningbo Ship Investment Group Limited by virtue of their shareholding in Vivanco GmbH. The consolidated accounts of the group are published on their website at www.vivanco.de