

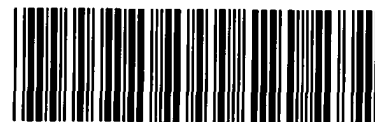
Company Registration No. 02610309 (England and Wales)

VIVANCO UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017
FILLETED ACCOUNTS

Faulkner House
Victoria Street
St Albans
Herts
AL1 3SE

Rayner Essex LLP
Chartered Accountants

FRIDAY



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28/09/2018
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VIVANCO UK LIMITED

COMPANY INFORMATION

Director	Mr P Gerding
Secretary	Miss D Brown
Company number	02610309
Registered office	960 Capability Green Luton Beds LU1 3PE
Auditors	Rayner Essex LLP Faulkner House Victoria Street St Albans Herts AL1 3SE

VIVANCO UK LIMITED

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VIVANCO UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	4		1,976		4,085
Current assets					
Stocks		136,854		363,307	
Debtors	5	457,981		451,856	
Cash at bank and in hand		31,212		18,551	
		<u>626,047</u>		<u>833,714</u>	
Creditors: amounts falling due within one year	6	<u>(953,163)</u>		<u>(923,751)</u>	
Net current liabilities			<u>(327,116)</u>		<u>(90,037)</u>
Total assets less current liabilities			<u>(325,140)</u>		<u>(85,952)</u>
Creditors: amounts falling due after more than one year	7		<u>(1,845,376)</u>		<u>(1,472,376)</u>
Net liabilities			<u><u>(2,170,516)</u></u>		<u><u>(1,558,328)</u></u>
Capital and reserves					
Called up share capital	8	300,000		300,000	
Profit and loss reserves		<u>(2,470,516)</u>		<u>(1,858,328)</u>	
Total equity		<u><u>(2,170,516)</u></u>		<u><u>(1,558,328)</u></u>	

The director of the company has 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 8 February 2018


Mr F. Gerding
Director

Company Registration No. 02610309

VIVANCO UK LIMITED

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

1 Accounting policies

Company information

Vivanco UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 960 Capability Green, Luton, Beds, LU1 3PE.

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 under 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.

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 and other group undertakings. Confirmation that this support will continue has been obtained from the directors of the parent company and the relevant group undertakings. The group have loaned Vivanco UK Limited 2,080,000 euros and recently extended the repayment terms until 31 December 2019 with interest being charged at 3.5% pa. 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 credited or charged to profit or loss.

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

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 at bank and in hand

Cash at bank and in hand are basic financial assets and 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 balance sheet 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 debtors 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. Financial assets classified as receivable within one year are not amortised.

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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 creditors, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts 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 creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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.

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.

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

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.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 8 (2016 - 12).

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

3 Taxation

The actual charge for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Loss before taxation	(612,188)	(722,166)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	(116,316)	(144,433)
Tax effect of expenses that are not deductible in determining taxable profit	3,900	40
Unutilised tax losses carried forward	113,112	144,588
Capital allowances	(1,248)	(1,474)
Depreciation	552	1,279
Taxation charge for the year	-	-

4 Tangible fixed assets

	Plant and machinery etc £
Cost	
At 1 January 2017	629,807
Additions	795
Disposals	(7,800)
At 31 December 2017	622,802
Depreciation and impairment	
At 1 January 2017	625,722
Depreciation charged in the year	2,904
Eliminated in respect of disposals	(7,800)
At 31 December 2017	620,826
Carrying amount	
At 31 December 2017	1,976
At 31 December 2016	4,085

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

5 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	442,236	434,752
Other debtors	6,609	7,968
	<u>448,845</u>	<u>442,720</u>
Deferred tax asset	9,136	9,136
	<u>457,981</u>	<u>451,856</u>

6 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	20,385	31,157
Amounts due to group undertakings	736,407	675,950
Other taxation and social security	62,837	50,698
Other creditors	133,534	165,946
	<u>953,163</u>	<u>923,751</u>

Included in Other creditors above is £102,417 (2016: £105,028) relating to a trade debt facility. This facility is secured by fixed and floating charges over the company's assets.

7 Creditors: amounts falling due after more than one year

	2017 £	2016 £
Amounts due to group undertakings	<u>1,845,376</u>	<u>1,472,376</u>

On 01.12.15 a 37 month loan of 1,000,000 Euros was provided to the Company by the parent company Vivanco GmbH with interest being charged at 3.5%.

Also included within Amounts due to group undertakings, is a 800,000 Euro loan from Vivanco GmbH with interest being charged at 3.5%.

During the year, a 280,000 Euro loan was granted by Vivanco Gruppe AG with interest being charged at 3.5%.

The repayment terms for the above loans have been re-negotiated during the year with the repayment periods being extended to 31 December 2019.

The support is reviewed annually by Vivanco GmbH.

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

8 Called up share capital

	2017 £	2016 £
Ordinary share capital		
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.

9 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.

Emphasis of matter

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 2017 the company's retained profit and loss account showed a negative position of £2,470,516 and net negative shareholders funds of £2,170,516. 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 Antony Federer FCCA ACA CF.

The auditor was Rayner Essex LLP.

10 Operating lease commitments

Lessee

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:

	2017 £	2016 £
Within one year	34,395	216,988
Between two and five years	23,783	484,521
	<u>58,178</u>	<u>701,509</u>

VIVANCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

10 Operating lease commitments

(Continued)

During the year the company entered into a settlement agreement to withdraw from the existing operating lease commitment in respect of their warehouse and office premises.

Included in the figure above is £12,407 relating to the new property lease.

11 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