

**McBride Holdings Limited**

**Directors' report and financial statements**

**Registered number 02805339**

**30 June 2015**

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## **Directors' report**

The directors present their Directors' report and the audited financial statements ('Annual report') for the year ended 30 June 2015.

### **Principal activities**

The principal activity of the Company is that of a holding company.

### **Business review and future developments**

The Company retained and continues to hold its investment in McBride S.A.S, McBride CE Holdings Limited, McBride spol. s.r.o., McBride Hungary Kft, Robert McBride Limited, Chemolux Germany GmbH, Chemolux S.a.r.l., McBride Australia Pty Limited, McBride Hong Kong Holdings Limited, McBride Asia Holdings Limited and McBride Business Services Ltd.

On 4 December 2014, the Company purchased the entire shareholding in McBride Polska Sp. Z.o.o from CE Holdings Ltd for a consideration of £13,637,314.

The Company has revalued the investments in subsidiaries to a net asset basis, as a result a loss of £524,000 (2014: loss of £4,904,000) was recognised in reserves. A loss of £16,910,000 (2014: loss of £9,045,000) on translation of net foreign currency investments has also been taken to reserves.

The directors do not foresee any change in the Company's activities in the foreseeable future.

### **Principal risks and uncertainties**

The Company has investments in companies incorporated in a variety of geographical locations and is thus exposed to the effect of movements in exchange rates on the underlying currency assets.

### **Financial risk management**

In order to reduce the exposure to movements in exchange rates on its foreign currency denominated investments, the Company uses loans to hedge against the net exposure to foreign currency assets.

### **Result and dividend**

The loss for the financial year was £1,000,000 (2014: loss of £1,033,000).

A dividend of £10,000,000 was paid to the parent undertaking during the year (2014: £10,000,000).

### **Going concern**

These financial statements have been prepared on the going concern basis as the directors expect the Company to have the continued support of the parent company, McBride plc, as well as an expectation of income in the form of dividends from its subsidiaries. The directors, therefore, have a reasonable expectation that the Company will have adequate resources to continue in the foreseeable future.

### **Key performance indicators**

As a holding company, key performance indicators are not deemed applicable in measuring the success of the company.

### **Political and charitable contributions**

The Company made no political or charitable contributions during the year (2014: £nil).

### **Directors**

The directors of the company who were in office during the year and up to the date of signing of the financial statements were:

C I C Smith (appointed 28 February 2015)

D R Main (appointed 31 July 2014)

R J Armitage (resigned 31 July 2014)

C D Bull (resigned 18 December 2014)

C Barnet (resigned 28 February 2015)

## **Directors' report** *(continued)*

### **Statement of disclosure of information to auditors**

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 auditors are 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 auditors are aware of that information.

### **Independent auditors**

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

On behalf of the board



**C Y C Smith**  
Director

17 December 2015

Middleton Way  
Middleton  
Manchester  
England  
M24 4DP

## Statement of Directors' responsibilities

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 the directors have prepared 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 then 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;
- 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.



**C I C Smith**  
Director  
17 December 2015

Middleton Way  
Middleton  
Manchester  
England  
M24 4DP

## **Independent auditors' report to the members of McBride Holdings Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion, McBride Holdings Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 June 2015 and of its loss 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.

#### **What we have audited**

The financial statements, included within the Directors' report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 30 June 2015;
- the Profit and loss account and Statement of total recognised gains and losses for the year then ended;
- the Reconciliation of movements in shareholders' funds for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

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

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

#### **Other matters on which we are required to report by exception**

##### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

#### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

#### **Responsibilities for the financial statements and the audit**

##### **Our responsibilities and those of the directors**

As explained more fully in the Statement of Directors' responsibilities set out on page 5, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

**Independent auditors' report to the members of McBride Holdings Limited (continued)**

**What an audit of financial statements involves**

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



David Beer (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
London

18 December 2015

**Profit and loss account**  
*for the year ended 30 June 2015*

	Note	2015 £000	2014 £000
Administrative expenses		(19)	32
<b>Operating (loss) / profit</b>		<b>(19)</b>	<b>32</b>
Income from shares in group undertakings		-	0
Interest receivable and similar income	N 4	11	22
Interest payable and similar charges	N 4	(1,932)	(2,283)
<b>Loss on ordinary activities before taxation</b>		<b>(1,940)</b>	<b>(2,229)</b>
Tax on loss on ordinary activities	N 5	940	1,196
<b>Loss for the financial year</b>	N 12	<b>(1,000)</b>	<b>(1,033)</b>

All amounts relate to continuing activities.

There is no material difference between the loss on ordinary activities before taxation and the loss for the financial year stated above and their historical cost equivalents.

**Statement of total recognised gains and losses**  
*for the year ended 30 June 2015*

	Note	2015 £000	2014 £000
<b>Loss for the financial year</b>		<b>(1,000)</b>	<b>(1,033)</b>
Unrealised foreign currency losses		(6,406)	(1,157)
Revaluation of investments in subsidiary undertakings	N 13	(524)	(4,904)
<b>Total recognised losses relating to the financial year</b>		<b>(7,930)</b>	<b>(7,094)</b>

The Company had recognised losses of £6,930,000 (2014: losses of £6,061,000) other than those dealt with in the profit and loss account. The net loss relates to revaluations of investments as set out in note 13 and the associated exchange on loans.



**Balance sheet**  
*at 30 June 2015*

	Note	2015 £000	2014 £000
<b>Fixed assets</b>			
Investments	N 6	158,088	161,885
<b>Current assets</b>			
Debtors	N 8	14,539	6,630
Cash at bank and in hand		12	252
		<hr/>	<hr/>
		14,551	6,882
<b>Creditors: amounts falling due within one year</b>	N 9	(5,021)	(14,482)
		<hr/>	<hr/>
<b>Net current assets</b>		9,530	(7,600)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		167,618	154,285
		<hr/>	<hr/>
<b>Creditors: amounts falling due after more than one year</b>	N 10	(145,125)	(113,862)
		<hr/>	<hr/>
<b>Net assets</b>		22,493	40,423
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	N 11	7,715	37,715
Revaluation reserve	N 13	(33,379)	(32,855)
Profit and loss account	N 12	48,157	35,563
		<hr/>	<hr/>
<b>Total shareholders' funds</b>		22,493	40,423
		<hr/>	<hr/>

The financial statements on pages 8 to 15 were approved by the Board of Directors on 17 December 2015 and signed on its behalf by:



**C I C Smith**  
*Director*

(Registered Company Number 02805339)

**Reconciliation of movements in shareholders' funds**  
*for the year ended 30 June 2015*

	Note	2015 £000	2014 £000
<b>Loss for the financial year</b>		<b>(1,000)</b>	<b>(1,033)</b>
Dividends paid		(10,000)	(10,000)
Revaluation of investments	N 13	(524)	(4,904)
Other recognised losses relating to the year		(6,406)	(1,157)
<b>Net decrease in shareholders' funds</b>		<b>(17,930)</b>	<b>(17,094)</b>
Opening shareholders' funds		40,423	57,517
<b>Closing shareholders' funds</b>		<b>22,493</b>	<b>40,423</b>

## Notes to the financial statements

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

#### Basis of preparation

Except for investments and hedging instruments, these financial statements have been prepared under the historical cost convention in accordance with applicable accounting standards in the United Kingdom. The Board has decided that it is undertaking hedging strategies to mitigate exchange exposures in the underlying subsidiaries by using forward contracts held at fair value. To ensure that gains and losses generated by these financial instruments are matched as far as possible by the exchange gains or losses in the investments, a decision to value these investments at net asset value was agreed upon rather than historic cost value.

The Company was exempt by virtue of Section 400 of the Companies Act 2006 from the requirement to prepare Group financial statements. The results of the Company are included in the consolidated financial statements of McBride plc, which is a Company registered in England and Wales. These consolidated financial statements can be obtained from the registered office at McBride plc, Middleton Way, Middleton, Manchester, M24 4DP.

Under Financial Reporting Standard 1 the Company is exempt from the requirement to prepare a cash flow statement on the grounds that a parent undertaking includes the Company in its own published consolidated financial statements.

As the Company is a wholly owned subsidiary of McBride plc and the Company's voting rights are controlled within the group headed by McBride plc, the Company has taken advantage of the exemption contained in FRS 8 and has therefore not disclosed transactions or balances with entities which form part of the group (or investees of the group qualifying as related parties). The consolidated financial statements of McBride plc, within which this company is included, can be obtained from the address given in Note 15.

These financial statements have been prepared on the going concern basis and in accordance with the Companies Act 2006. The directors have judged that the going concern basis is appropriate as they expect the Company to have the continued support of the parent company, McBride plc, as well as the continued income from its subsidiaries in the form of dividends. The directors, therefore, have a reasonable expectation that the Company will have adequate resources to continue in the foreseeable future.

The principal accounting policies which have been applied consistently throughout the year are set out below:

#### Investments

The Company has significant investments in trading subsidiaries. The Company has elected to revalue its net investments from historic cost to net asset value. Net revaluation loss of £524,000 (2014: loss of £4,904,000) are reported in Note 13 to these financial statements.

A major part of these investments relates to subsidiaries in Continental Europe where the investment is denominated in Euros, giving the Company significant exposure to the effect of movements in exchange rates on the underlying currency assets. In order to reduce the exposure the Company uses forward contracts and loans to hedge against the net exposure to foreign currency assets.

The Company does not enter into speculative derivative contracts. All instruments are used for hedging purposes to alter the risk profile of the existing underlying exposure of the investments in line with the Company's risk management policies. Gains and losses on matched investments and forward contracts and loans are taken straight to reserves, as are gains and losses on unmatched investment assets. Gains and losses on unmatched forward contracts and loans, if any arise, would be taken to the profit and loss account. Net exchange movement loss of £16,910,000 (2014: loss of £9,045,000) on investments are reported in Note 12 to these financial statements.

Assets and liabilities are translated into sterling at the rates ruling at the balance sheet date. Under SSAP 20, the net exchange differences arising on the retranslation of foreign currency investments and their associated hedging loans are transferred directly to reserves. Other exchange differences are included in the profit and loss account.

#### Taxation

The charge for taxation is based on the profit or loss for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Deferred tax is recognised, without discounting, in respect of all timing differences which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 19.

- Current tax is the expected tax receivable, as group relief, on the taxable expense for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax receivable in respect of previous years.

## Notes to the financial statements *(continued)*

### 2 Auditors' remuneration

Auditors' remuneration including expenses has been borne by the Company's ultimate parent company, McBride plc, for both the current and previous years.

### 3 Remuneration of directors

None of the directors received any emoluments during the year or the previous year as directors of McBride Holdings Limited.

### 4 Interest receivable/ (payable)

	2015 £000	2014 £000
Third party interest received and similar income	11	22
Interest receivable and similar income	11	22
Interest payable to other group undertakings	(1,932)	(2,232)
Third party interest payable and similar charges	-	(51)
Interest payable and similar charges	(1,932)	(2,283)

### 5 Tax on loss on ordinary activities

	2015 £000	2014 £000
<b>UK corporation tax</b>		
Current year tax credit	940	1,196
	940	1,196

#### Factors affecting the tax credit for the current year

The tax assessed for the year is higher (2014: lower) than the standard rate of corporation tax in the UK 20.75% (2014: 22.5%). The differences are explained below.

<b>Current tax reconciliation</b>	2015 £000	2014 £000
Loss on ordinary activities before taxation	(1,940)	(2,229)
Expected tax credit @ 20.75% (2014: 22.5%)	402	501
Effects of:		
Other Differences	538	695
Tax credit	940	1,196

**Notes to the financial statements (continued)****6 Investments**

The investments are held at net asset value and not historic cost. Forward contracts are undertaken to hedge the net asset underlying foreign currency exposure. The net effects of revaluing the investments and of translating the foreign currency investments at closing balance sheet rates are shown below.

	2015 £000	2014 £000
At 1 July	161,885	173,934
Exchange movement	(16,910)	(9,045)
Revaluation	(524)	(4,904)
Capital investments	13,637	1,900
	<hr/>	<hr/>
<b>At 30 June</b>	<b>158,088</b>	<b>161,885</b>
	<hr/>	<hr/>

The directors believe that the carrying value of the investments is supported by their underlying net assets.

The historical value of investments held as at 30 June 2015 is shown as follows:

	2015 £000	2014 £000
McBride S.A.S.	58,930	58,930
McBride Hungary Kft	175	175
McBride spol. s.r.o.	3,988	3,988
Robert McBride Limited	72,744	72,744
Chemolux S.a.r.l.	16,779	16,779
McBride Australia Pty Limited	66	66
Chemolux Germany GmbH	3,328	3,328
McBride CE Holdings Limited	16,450	16,450
McBride Hong Kong Holdings Limited	1,117	1,117
McBride Asia Holdings Limited	4,012	4,012
McBride Business Services	2,000	2,000
Intersilesia McBride Polska Sp. Z.o.o.	13,637	-
	<hr/>	<hr/>
	<b>193,226</b>	<b>179,589</b>
	<hr/>	<hr/>

On 4 December 2014, the Company purchased the entire shareholding in McBride Polska Sp. Z.o.o from CE Holdings Ltd for a consideration of £13,637,314.

Proportion of subsidiaries owned by McBride Holdings Limited at 30 June 2015 is as follows:

Subsidiary companies	% holding (ordinary shares)	Country of Incorporation
McBride S.A.S.	100%	France
McBride Hungary Kft	100%	Hungary
McBride spol. s.r.o.	100%	Czech Republic
Chemolux S.a.r.l.	100%	Luxembourg
Chemolux Germany GmbH	100%	Germany
Robert McBride Limited	42.3%	United Kingdom
McBride CE Holdings Limited	100%	United Kingdom
McBride Hong Kong Holdings Limited	100%	Hong Kong
McBride Australia Pty Limited	100%	Australia
McBride Asia Holdings Limited	100%	Hong Kong
McBride Business Services Limited	100%	United Kingdom
Intersilesia McBride Polska Sp. Z.o.o.	100%	Poland

## Notes to the financial statements *(continued)*

### 7 Dividends payable

	2015 £000	2014 £000
Ordinary shares (2014: 17p per £0.64 share)	-	10,000

### 8 Debtors

	2015 £000	2014 £000
Amounts owed by group undertakings – Interest bearing	30	35
Amounts owed by group undertakings – Non interest bearing	14,509	6,595
	<u>14,539</u>	<u>6,630</u>

Amounts owed by group undertakings – Non interest bearing are unsecured, interest free and repayable on demand.

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

	2015 £000	2014 £000
Bank loans and overdrafts	1	-
Amounts owed to parent company	893	10,370
Amounts owed to group undertakings	4,112	4,112
Other creditors	15	-
	<u>5,021</u>	<u>14,482</u>

Amounts owed to parent company and group undertakings are unsecured, interest free and repayable on demand.

### 10 Creditors: amounts falling due after more than one year

	2015 £000	2014 £000
Amounts owed to parent company – Interest bearing	143,701	112,438
Amounts owed to group undertakings – Non interest bearing	1,424	1,424
	<u>145,125</u>	<u>113,862</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

### 11 Called up share capital

	2015 £000	2014 £000
<i>Authorised</i>		
1 July 2014 and 30 June 2015 58,929,656 Ordinary shares of £0.64 each	37,715	37,715
<i>Allotted, called up and fully paid</i>		
30 June 2015 12,054,656 ( 1 July 2014 58,929,656) Ordinary shares of £0.64 each	7,715	37,715

## Notes to the financial statements *(continued)*

### 12 Profit and loss account

	2015 £000	2014 £000
At 1 July	35,563	47,753
Loss for the financial year	(1,000)	(1,033)
Dividends paid	(10,000)	(10,000)
Recognised exchange losses on investment in subsidiaries	(16,910)	(9,045)
Recognised losses on loans	10,504	7,888
Capital Reduction	30,000	-
<b>At 30 June</b>	<b>48,157</b>	<b>35,563</b>

### 13 Revaluation Reserves

	2015 £000	2014 £000
At 1 July	(32,855)	(27,951)
Loss on net investment in subsidiary holdings	(524)	(4,904)
<b>At 30 June</b>	<b>(33,379)</b>	<b>(32,855)</b>

### 14 Employees

The company has no employees (2014: none).

### 15 Ultimate parent company

The Company is a subsidiary undertaking of McBride plc, which is the ultimate parent company and controlling party and is incorporated in England and Wales.

The largest and smallest group in which the results of the Company are consolidated is that headed by McBride plc. No other group financial statements include the results of the Company. The consolidated financial statements of McBride plc are available to the public and may be obtained from the registered office at McBride plc, Middleton Way, Middleton, Manchester, M24 4DP.