

**BASF Performance Products  
Limited**

Annual report and financial statements  
Registered number 3249009  
31 December 2015

SATURDAY



\*A5G71H28\*

A31

24/09/2016

#221

COMPANIES HOUSE

## Contents

Strategic report	1
Directors' report	2
Statement of Directors' responsibilities in respect of the Strategic Report, the Directors' report and the financial statements	3
Independent auditor's report to the members of BASF Performance Products Limited	4
Profit and loss account	6
Statement of comprehensive income	7
Balance sheet	8
Statement of changes in equity	9
Notes to the financial statements	10

## Strategic report


### Principal activities

BASF is the world's leading chemical company offering customers intelligent solutions and sophisticated products. The principal activity of this company was formerly the manufacture and sale of waste water and paper treatments, pigments and oilfield & mining products. During the current year the company did not trade.

### Business review and results

On 1 January 2015 the company's trade assets and liabilities of £48,627,000 were sold to BASF plc where the ongoing programme of investment & cost rationalisation will continue for the Bradford site with additional focus on the increase of sales volumes. From this date the company had no remaining liabilities and held only an asset representing the consideration receivable for the sale of net assets which was subsequently paid before the year end. The company is expected to remain dormant for the foreseeable future and as such the financial statements have not been prepared on a going concern basis as explained in note 1.

By order of the board



T Urwin  
Director

Earl Road  
Cheadle Hulme  
SK8 6QG  
20<sup>th</sup> September 2016

## Directors' report

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

### Results and dividends

The profit for the year ended 31 December 2015 was £3,800k (2014: profit £1,092k).

During the year, the company paid dividends of £52,427,482 to its shareholders (2014: £nil).

### Directors

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

T Urwin  
S Hatton

### Disclosure of information to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the group's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

### Auditor

Pursuant to section 487 for the Companies Act 2006, the auditor will be deemed to be reappointed, and KPMG LLP will therefore continue in office.

By order of the board



**S Hatton**  
Director

Earl Road  
Cheadle Hulme  
SK8 6QG  
20<sup>th</sup> September 2016

## **Statement of Directors' responsibilities in respect of the Strategic report, the Directors' report and the financial statements**

The directors are responsible for preparing the Strategic Report, the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## KPMG LLP

1 St Peter's Square  
Manchester  
M2 3AE  
United Kingdom

### **Independent auditor's report to the members of BASF Performance Products Limited**

We have audited the financial statements of BASF Performance Products Limited for the year ended 31 December 2015 set out on pages 6 to 34. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK 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 UK 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**

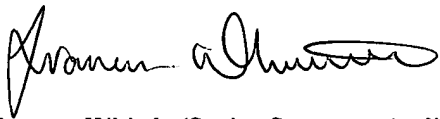
In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# **Independent auditor's report to the members of BASF Performance Products 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.



**Frances Whittle (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
Chartered Accountants  
1 St Peter's Square  
Manchester  
M2 3AE

23/9/2016

**Profit and loss account**  
*for the year ended 31 December 2015*

	<i>Notes</i>	<b>2015 £000</b>	<b>2014 £000</b>
<b>Turnover</b>	3	-	294,719
<b>Cost of sales</b>		-	(266,673)
		<hr/>	<hr/>
<b>Gross profit</b>		-	28,046
Distribution costs		-	(10,156)
Administrative expenses		-	(12,876)
		<hr/>	<hr/>
<b>Operating profit</b>	4	-	5,014
Loss on sale of tangible fixed asset	5	-	(246)
Profit on sale of trade and assets		<b>3,800</b>	-
Interest receivable and similar income	6	-	82
Interest payable and similar charges	7	-	(2,893)
Other finance income/costs	8	-	1,001
		<hr/>	<hr/>
<b>Profit on ordinary activities before taxation</b>		<b>3,800</b>	2,958
Tax on profit on ordinary activities	11	-	(1,866)
		<hr/>	<hr/>
<b>Profit for the financial year</b>		<b>3,800</b>	1,092
		<hr/>	<hr/>

The accompanying notes on pages 10 to 34 form an integral part of the financial statements.

All trading activity arises from operations which were discontinued in the company on 1 January 2015 but continued in BASF plc.



**Statement of Comprehensive Income**  
*for the year ended 31 December 2015*

	<i>Notes</i>	<b>2015</b> <b>£000</b>	2014 £000
Profit for the year		<b>3,800</b>	1,092
Re-measurement of the BPP Section of the BASF UK Group Pension	<i>18(a)</i>	-	4,994
Re-measurement of the Ex-Gratia Pension liability	<i>18(b)</i>	-	(190)
Income tax effect on re-measurement gain/loss on pension schemes		-	(961)
<b>Total comprehensive income for the year</b>		<b>3,800</b>	<b>4,935</b>

The accompanying notes on pages 10 to 34 form an integral part of the financial statements.

**Balance sheet**  
*as at 31 December 2015*

	<i>Notes</i>	<b>2015</b> <b>£000</b>	<b>2015</b> <b>£000</b>	<b>2014</b> <b>£000</b>	<b>2014</b> <b>£000</b>
<b>Fixed assets</b>					
Intangible assets	<i>12</i>	-	-	-	827
Tangible assets	<i>13</i>	-	-	-	89,811
			<hr/>		<hr/>
			-		90,638
<b>Current assets</b>					
Stocks	<i>14</i>	-	-	47,090	
Debtors	<i>15</i>	-	-	464,014	
			<hr/>	<hr/>	
		-	-	511,104	
<b>Creditors:</b> amounts falling due within one year	<i>16</i>	-	-	(564,201)	
			<hr/>	<hr/>	
<b>Net current assets/(liabilities)</b>			-		(53,097)
			<hr/>		<hr/>
<b>Total assets less current liabilities</b>			-		37,541
<b>Provisions for liabilities and charges</b>	<i>17</i>		-		(18,184)
			<hr/>		<hr/>
<b>Net assets excluding pension asset</b>			-		19,357
<b>Pension asset</b>	<i>18(c)</i>		-		29,270
			<hr/>		<hr/>
<b>Net assets</b>			-		48,627
			<hr/>		<hr/>
<b>Capital and reserves</b>					
Called up share capital	<i>19</i>		-		50,991
Share premium account			-		124,032
Profit and loss account			-		(126,396)
			<hr/>		<hr/>
<b>Equity shareholders' funds</b>			-		48,627
			<hr/>		<hr/>

The accompanying notes on pages 10 to 34 form an integral part of these financial statements.

These financial statements were approved by the board of directors on 20<sup>th</sup> September 2016 and were signed on its behalf by:

  
**T Urwin**  
Director

**Statement of Changes in Equity**  
*for the year ended 31 December 2015*

	<i>Notes</i>	<b>Share Capital £000</b>	<b>Share Premium £000</b>	<b>Profit and loss account £000</b>	<b>Total £000</b>
At 1 January 2014		49,991	60,032	(131,331)	(21,308)
Profit for the year		-	-	1,092	1,092
Other comprehensive income		-	-	3,843	3,843
Share Capital issue		1,000	64,000	-	65,000
		<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014		50,991	124,032	(126,396)	48,627
		<hr/>	<hr/>	<hr/>	<hr/>
		<b>Share Capital £000</b>	<b>Share Premium £000</b>	<b>Profit and loss account £000</b>	<b>Total £000</b>
At 1 January 2015		50,991	124,032	(126,396)	48,627
Profit for the year		-	-	3,800	3,800
Other comprehensive income		-	-	-	-
Dividends paid		-	-	(52,427)	(52,427)
Capital reduction	19	(50,991)	(124,032)	175,023	-
		<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015		-	-	-	-
		<hr/>	<hr/>	<hr/>	<hr/>

The accompanying notes on pages 10 to 34 form an integral part of the financial statements.

## Notes to the financial statements

### 1 General information

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

### 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*' ("FRS 102").

In the transition to FRS 102 from old UK GAAP, the company has made measurement and recognition adjustments. An explanation of how the transition to FRS 102 has affected the financial position and financial performance of the company is provided in note 24.

#### *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 presentation currency of these financial statements is sterling. All amounts in the financial statements have been rounded to the nearest £1,000.

#### *Summary of disclosure exemptions*

FRS 102 grants certain first-time adoption exemptions from the full requirements of FRS 102. The following exemptions have been taken in these financial statements:

- Business combinations – Business combinations that took place prior to 1 January 2014 have not been restated.
- Fair value or revaluation as deemed cost – The previous GAAP revaluation at transition date has been used as deemed cost for specific tangible fixed assets and specific intangible assets.
- Lease arrangements – in order to determine whether an arrangement contains a lease, the Company has analysed facts and circumstances existing at 1 January 2014 rather than commencement date of the arrangement.

The company's ultimate parent undertaking, BASF Societas Europea (BASF SE) includes the company in its consolidated financial statements. The consolidated financial statements of BASF SE are prepared in accordance with International Financial Reporting Standards as adopted by the EU. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation

The financial statements of BASF SE may be obtained from BASF Societas Europea, 67056 – Ludwigshafen, Germany.

#### *Going concern*

In previous years the financial statements have been prepared on a going concern basis. However, on 1 January 2015 the net assets and liabilities of £48,627,000 of the company were sold to BASF plc and the company has now ceased trading. The directors intend to liquidate the company and as such have not prepared the financial statements on a going concern basis. No adjustments were necessary to the amounts included in the financial statements.

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

### 2 Accounting policies *(continued)*

#### **Revenue recognition**

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

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.

#### **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 translated into the respective functional currency of the entity at the rates prevailing on the reporting period date.

#### **Taxation**

Tax on profit or loss for the period comprises current 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.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and any adjustments to tax payable in respect of previous years.

Deferred 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 tax is measured at the rate that is expected to apply to the reversal of the related difference, using tax rates that have been enacted or substantively enacted at the balance sheet date.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

#### **Tangible fixed assets**

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses. Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

Leases in which the company assumes substantially all the risks and rewards of ownership of the leased asset are classified as finance leases. All other leases are classified as operating leases. Leased assets acquired by way of finance lease are stated on initial recognition at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, including any incremental costs directly attributable to negotiating and arranging the lease. At initial recognition a finance lease liability is recognised equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments. The present value of the minimum lease payments is calculated using the interest rate implicit in the lease.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets, taking into account commercial and technical obsolescence as well as normal wear and tear. No depreciation is provided on land and assets in the course of construction. Revised depreciation is provided where an asset is expected to become obsolete before the end of its normal useful life.

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

### 2 Accounting policies *(continued)*

#### ***Tangible fixed assets (continued)***

The principal estimated lives are as follows:

Buildings	-	15-50 years
Plant and machinery	-	5-25 years
Fixtures and fittings	-	3-10 years

Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. These reviews assess the recoverable amount by reference to the net present value of expected future cash flows of the relevant income-generating unit, or disposal value if higher, resulting in revised depreciation or amortisation as appropriate.

#### ***Business combinations***

Business combinations are accounted for using the purchase method as at the acquisition date, which is the date on which control is transferred to the company.

At the acquisition date, the company recognises goodwill at the acquisition date as:

- the fair value of the consideration (excluding contingent consideration) transferred; plus
- estimated amount of contingent consideration (see below); plus
- the fair value of the equity instruments issued; plus
- directly attributable transaction costs; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities and contingent liabilities assumed.

When the excess is negative, this is recognised and separately disclosed on the face of the balance sheet as negative goodwill.

Consideration which is contingent on future events is recognised based on the estimated amount if the contingent consideration is probable and can be measured reliably. Any subsequent changes to the amount are treated as an adjustment to the cost of the acquisition.

FRS 102.35 grants certain exemptions from the full requirements of FRS 102 in the transition period. The company elected not to restate business combinations that took place prior to 1 January 2014. In respect of acquisitions prior to this date, goodwill is included on the basis of its deemed cost, which represents the amount recorded under old UK GAAP. Intangible assets previously included in goodwill, are not recognised separately.

#### ***Intangible assets***

Positive goodwill arising on the acquisition of businesses, representing any excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life of 10 years. Provision is made for any impairment.

Emission allowances, principally relating to the emissions of carbon dioxide, are recorded as intangible assets and are initially recorded at cost and subsequently at the lower of cost and net realisable value. Where emission allowances are granted by relevant authorities, cost is deemed to be equal to the fair value at the date of allocation. Receipts of such grants are treated as deferred income, and this is reduced upon impairment of the related intangible asset. Impairments are made to reflect reductions in open market values. A provision is recorded in respect of the obligation to deliver emission allowances.

Income from emission allowances that are sold is reported as part of other operating income.

#### ***Research and development***

All research and development expenditure borne by the company, including all expenditure in respect of patents and trademarks, is written off as incurred.

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

### 2 Accounting policies *(continued)*

#### ***Stocks***

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

#### ***Trade debtors***

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

#### ***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 recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

Accounts payable 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.

#### ***Borrowings***

Interest-bearing borrowings classified as basic financial instruments are recognised initially at fair value less transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost using the effective interest method.

Non interest-bearing borrowings that are repayable on demand are initially measured at undiscounted amount, net of transaction costs.

#### ***Provisions***

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

#### ***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. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

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

### 2 Accounting policies *(continued)*

#### ***Defined contribution pension***

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 expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

#### ***Defined benefit pension***

Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

The asset/liability recognised in the Balance Sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the reporting date minus the fair value of plan assets. The defined benefit obligation is measured using the projected unit credit method. The present value of the defined benefit obligation is determined by discounting the estimated future payments by reference to market yields at the reporting date on high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability.

Actuarial gains and losses are charged or credited to other comprehensive income in the period in which they arise.

Further information on pension arrangements is set out in note 18 to the accounts.

#### ***Leases***

##### ***Operating lease***

Payments (excluding costs for services and insurance) made under operating leases are recognised in the profit and loss account on a straight-line basis over the term of the lease unless the payments to the lessor are structured to increase in line with expected general inflation; in which case the payments related to the structured increases are recognised as incurred. Lease incentives received are recognised in profit and loss over the term of the lease as an integral part of the total lease expense.

##### ***Finance lease***

Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding liability using the rate implicit in the lease. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.



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

### 3 Turnover

Turnover originates wholly within the UK and is analysed by destination as follows:

	2015 £000	2014 £000
United Kingdom	-	1,244
Europe	-	291,160
Americas	-	370
Asia, Australia and Africa	-	1,945
	<hr/>	<hr/>
	-	294,719
	<hr/>	<hr/>

Further segmental information has been excluded as the directors believe disclosure would be seriously prejudicial to the company.

### 4 Operating profit on ordinary activities

Operating profit on ordinary activities is stated after charging/(crediting) the following:

	2015 £000	2014 £000
Depreciation of tangible fixed assets	-	7,916
Amortisation of intangible assets	-	102
Operating leases:		
plant and machinery	-	410
Restructuring costs:		
Impairment costs	-	12
Plant closure costs	-	3,375
Severance costs (note 17)	-	(2,173)
Provisions charge/(credit) in the year (note 17):		
Post-retirement medical insurance	-	62
Litigation costs	-	1,761
Long term service awards	-	23
Legal claims	-	90
Climate change levy penalty	-	(57)
Unrecoverable import duty	-	(367)
Stock options	-	(84)
	<hr/>	<hr/>

#### Auditor's remuneration:

	2015 £000	2014 £000
Audit of these financial statements	-	111
	<hr/>	<hr/>

In 2015 the auditor's remuneration of £2,500 was borne by BASF plc, a group undertaking.

#### Central research

Until 2014, BASF Performance Products Limited made a contribution to the central research expenditure of the ultimate holding company. Agreed costs were reimbursed by the ultimate holding company.

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

### 5 Loss on disposal of tangible fixed assets

The loss on sale of tangible fixed assets of £nil (2014: £246,000 loss) relates to the disposal and scrapping of assets.

### 6 Interest receivable and similar income

	2015 £000	2014 £000
<i>Interest receivable</i>		
Interest receivable from group undertakings	-	14
Foreign exchange gains	-	68
	<hr/>	<hr/>
	-	82
	<hr/>	<hr/>

### 7 Interest payable and similar charges

	2015 £000	2014 £000
<i>Interest payable</i>		
On loans wholly repayable within five years:		
Interest payable to group undertakings	-	(2,892)
Finance leases and hire purchase contracts	-	(1)
	<hr/>	<hr/>
	-	(2,893)
	<hr/>	<hr/>

### 8 Other finance income

	2015 £000	2014 £000
Expected return on pension scheme assets (note 18 (a))	-	34,701
Interest on pension scheme liabilities (note 18 (a))	-	(33,654)
Interest on Ex-Gratia pension scheme liabilities (note 18 (b))	-	(46)
	<hr/>	<hr/>
	-	1,001
	<hr/>	<hr/>

### 9 Employees

- (a) The monthly average number of full time equivalents employed by the company (including executive directors) during the year, analysed by category, was as follows:

	2015 Number	2014 Number
Production	-	656
Administration	-	156
	<hr/>	<hr/>
	-	812
	<hr/>	<hr/>

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

### 9 Employees *(continued)*

(b) Cost of employees, including executive directors:

	2015 £000	2014 £000
Wages and salaries	-	34,833
Social security costs	-	3,312
Pension costs	-	4,116
	<hr/>	<hr/>
	-	42,261
Education, training and welfare	-	361
	<hr/>	<hr/>
	-	42,622
	<hr/>	<hr/>

### 10 Directors

The Directors of the Company are employed by other subsidiaries within the group and do not take any remuneration from the company. As their services are incidental to their wider role in the group, none of their remuneration is attributable to the company.

### 11 Taxation

Tax charged in the profit and loss account

	2015 £000	2014 £000
<b>Current tax</b>		
UK corporation tax	-	(1,787)
Adjustments in respect of prior years	-	53
	<hr/>	<hr/>
<b>Total current tax</b>	-	(1,734)
<b>Deferred tax</b>		
Adjustments in respect of prior periods	-	67
Origination and reversal of timing differences	-	3,533
	<hr/>	<hr/>
<b>Total deferred tax</b>	-	3,600
	<hr/>	<hr/>
<b>Total tax on ordinary activities</b>	-	1,866
	<hr/>	<hr/>

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

### 11 Tax on profit on ordinary activities *(continued)*

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2014: *higher than the standard rate of corporation tax in the UK*) of 20.25% (2014: 21.5%). The differences are recognised below:

	2015 £000	2014 £000
<b>Profit on ordinary activities before tax</b>	<b>3,800</b>	<b>2,958</b>
Corporation tax at standard rate	769	636
Effects of:		
Expenses not deductible for tax purposes	513	401
Income not based on profit before tax	-	973
Prior year adjustments	-	120
Tax rate changes	-	(264)
Effect of revenues exempt from taxation	(598)	-
Group relief surrendered for nil consideration	(684)	-
<b>Total tax charge for period</b>	<b>-</b>	<b>1,866</b>

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017 and to 18% (effective from 1 April 2020) were substantively enacted on 26 October 2015. The deferred tax assets and liabilities at 31 December 2014 have been calculated based on these rates.

#### Deferred tax assets and liabilities:

	Asset 2015 £000	Liability 2015 £000	Asset 2014 £000	Liability 2014 £000
Accelerated capital allowances	-	-	-	2,836
Other timing differences	-	-	2,083	-
Tax losses	-	-	3,145	-
Employee benefits	-	-	-	5,854
	<b>-</b>	<b>-</b>	<b>5,228</b>	<b>8,690</b>

The deferred tax assets and liabilities transferred to BASF plc on 1 January 2015.

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

### 12 Intangible fixed assets

	Goodwill £000	Emission rights £000	Total £000
<b>Cost</b>			
At 1 January 2015	205	827	1,032
Disposals	(205)	(827)	(1,032)
Utilisation	-	-	-
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2015</b>	<hr/> -	<hr/> -	<hr/> -
<b>Amortisation</b>			
At 1 January 2015	(205)	-	(205)
Disposals	205	-	205
	<hr/>	<hr/>	<hr/>
<b>At 31 December 2015</b>	<hr/> -	<hr/> -	<hr/> -
<b>Net book value</b>			
<b>At 31 December 2015</b>	<hr/> -	<hr/> -	<hr/> -
	<hr/>	<hr/>	<hr/>
At 31 December 2014	-	827	827
	<hr/>	<hr/>	<hr/>

The goodwill arose on the acquisition of the Metasheen trade and assets during 2005.

The Company's trade, assets and liabilities were sold to BASF plc on 1 January 2015.

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

### 13 Tangible Fixed assets

	Freehold land and buildings £000	Plant and Machinery £000	Fixtures and Fittings £000	Assets in the course of construction £000	Total £000
<b>Cost</b>					
At 1 January 2015	77,996	288,231	16,492	18,599	401,318
Additions	-	-	-	-	-
Disposals – asset transfer	(77,996)	(288,231)	(16,492)	(18,599)	(401,318)
Transfers	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Depreciation</b>					
At 1 January 2015	52,943	240,074	16,367	2,123	311,507
Charge for the year	-	-	-	-	-
Impairment	-	-	-	-	-
Disposals – asset transfer	(52,943)	(240,074)	(16,367)	(2,123)	(311,507)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2015	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
<b>Net book value</b>					
At 31 December 2015	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	25,053	48,157	125	16,476	89,811
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Assets held under finance lease included above:					
<b>Net book value</b>					
At 31 December 2015	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2014	-	4	-	-	4
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

The Company's trade, assets and liabilities were sold to BASF plc on 1 January 2015.

### **Capital commitments**

Contracts for capital expenditure for which provision had not been made in the financial statements amounted to £5,574,000 at 31 December 2014. These capital commitments transferred to BASF plc on 1 January 2015.

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

### 14 Stocks

	2015 £000	2014 £000
Raw materials and consumables	-	12,997
Work in progress	-	149
Finished goods	-	33,944
	<hr/>	<hr/>
	-	47,090
	<hr/>	<hr/>

There is no material difference between the balance sheet value of stocks and their replacement cost.

### 15 Debtors

	2015 £000	2014 £000
<i>Amounts falling due within one year</i>		
Trade debtors	-	820
Amounts owed by Group undertakings	-	461,660
Other debtors	-	102
Prepayments and accrued income	-	753
Corporation tax	-	679
	<hr/>	<hr/>
	-	464,014
	<hr/>	<hr/>

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

	2015 £000	2014 £000
Trade creditors	-	8,645
Obligations under finance leases and hire purchase contracts	-	5
Amounts owed to Group undertakings	-	549,254
Other creditors	-	77
Other taxation and social security	-	2,633
Accruals and deferred income	-	3,587
	<hr/>	<hr/>
	-	564,201
	<hr/>	<hr/>

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

### 17 Provisions for liabilities and charges

	Deferred tax	Litigation costs	Post- retirement medical insurance	Environ- mental	Restru- cturing	Emission allowance s	Other	Total
	£000	£000	£000	£000	£000	£000	£000	£000
At 1 January 2015	3,462	1,761	580	1,191	9,898	517	775	18,184
Utilised during the year	-	-	-	-	-	-	-	-
Charged/(credited) to profit and loss account	-	-	-	-	-	-	-	-
Transfers out	(3,462)	(1,761)	(580)	(1,191)	(9,898)	(517)	(775)	(18,184)
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
At 31 December 2015	-	-	-	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Other provisions included legal claims in respect of on-going employee claims against the company, long service awards in respect of employees who were due to receive awards for length of service and stock options in respect of the fair value of un-exercised options as at 31 December 2014. These provisions transferred to BASF plc on 1 January 2015.

### 18 Pension and other schemes

#### (a) BPP Section of the BASF UK Group Pension Scheme

Until 2014, the company participated in a single UK defined benefit and defined contribution scheme, funded by contributions from members and from the company and closed to new members. The assets of the pension scheme are held in a separate trustee administered fund.

The BPP Section of the BASF UK Group Pension Scheme was transferred to BASF plc on 1 January 2015. From that date the company has no pension obligations.



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

### 18 Pension and other schemes *(continued)*

#### (a) BPP Section of the BASF UK Group Pension Scheme *(continued)*

*The amounts recognised in the balance sheet are as follows:*

	2015 £000	2014 £000
<b>Development of Net Balance Sheet Position</b>		
Present value of defined benefit obligation	-	(851,966)
Fair value of scheme assets	-	882,403
Defined benefit pension scheme surplus	-	30,437
<b>Reconciliation of net Balance Sheet Position</b>		
Defined benefit asset at end of prior period	30,437	19,044
Effect of employee service in the current period	-	(4,116)
Net interest on net defined benefit asset	-	1,047
Re-measurement effects recognized in OCI	-	4,994
Employer contributions	-	9,468
Transfer of defined benefit obligation	(30,437)	-
Defined benefit asset at end of current period	-	30,437
<b>Assumptions and Dates Used for Measurements <i>(1)</i></b>		
Discount rate	-	3.700%
Rate of salary increase <i>(1)</i>	-	3.100% <sup>1</sup>
Pension increases for deferred benefits		
• RPI-linked	-	3.100%
• CPI-linked	-	2.100%
Pension Increase for In-Payment Benefits		
• Pre 07 benefits	-	2.900%
• Post 07 benefits	-	1.900%
Scheme membership census date	-	31/12/2011

*(1) Pensionable salary growth is capped at inflation*

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

### 18 Pension and other schemes *(continued)*

#### (a) BPP Section of the BASF UK Group Pension Scheme *(continued)*

*The amounts recognised in the profit and loss account are as follows:*

	2015 £000	2014 £000
<b>Profit and Loss</b>		
Effect of employee service in the current period	-	4,116
Net interest on net defined benefit asset	-	(1,047)
	<hr/>	<hr/>
Defined benefit cost recognized in profit and loss	-	3,069
	<hr/>	<hr/>
<b>Other Comprehensive Income (OCI)</b>		
Actuarial loss arising during period	-	61,522
Return on scheme assets greater than discount rate	-	(66,516)
	<hr/>	<hr/>
Re-measurement effects recognized in OCI	-	(4,994)
	<hr/>	<hr/>
<b>Total Defined Benefit Cost</b>		
Cost recognised in profit and loss	-	3,069
Re-measurement effects recognised in OCI	-	(4,994)
	<hr/>	<hr/>
Total defined benefit cost	-	(1,925)
	<hr/>	<hr/>
<b>Assumptions Used to Determine Defined Benefit Cost <i>(1)</i></b>		
Discount rate	-	4.400%
Rate of salary increase <i>(2)</i>	-	3.400%
Pension increases for deferred benefits		
• RPI-linked	-	3.400%
• CPI-linked	-	2.800%
Pension Increase for In-Payment Benefits		
• Pre 07 benefits	-	3.100%
• Post 07 benefits	-	2.000%

*(1) These beginning of year assumptions were used to calculate the defined benefit cost recognized through P&L.*

*(2) Pensionable salary growth is capped at inflation*

Both the profit and loss charge and the employer contributions above exclude hybrid DC contributions, which amounted to £389,000 in 2014.

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

### 18 Pension and other schemes *(continued)*

#### (a) BPP Section of the BASF UK Group Pension Scheme *(continued)*

*Changes in the present value of the defined benefit obligation are as follows:*

	2015 £000	2014 £000
<b>Change in Defined Benefit Obligation (DBO)</b>		
DBO at end of prior period	851,966	776,336
Effect of employee service in the current period	-	4,116
Interest cost on the DBO	-	33,654
Scheme participants' contributions	-	1,201
Re-measurement of the DBO	-	61,522
Benefits paid from scheme assets	-	(24,863)
Transfer of DBO	(851,966)	-
	<hr/>	<hr/>
DBO at end of current period	-	851,966
	<hr/>	<hr/>
<b>Change in Scheme Assets</b>		
Fair value of assets at end of prior period	882,403	795,380
Interest income on scheme assets	-	34,701
Return on scheme assets greater than discount rate	-	66,516
Employer contributions	-	9,468
Scheme participants' contributions	-	1,201
Benefits paid	-	(24,863)
Transfer of defined benefit obligation	(882,403)	-
	<hr/>	<hr/>
Fair value of assets at current period end	-	882,403
	<hr/>	<hr/>
<b>Return on Scheme Assets</b>		
Return on scheme assets	-	101,217
	<hr/>	<hr/>

*The major categories of plan assets are as follows:*

	2015 £000	2014 £000
<b>Scheme Asset Information</b>		
Equity securities	-	290,311
Debt securities	-	582,386
Other	-	9,706
	<hr/>	<hr/>
Fair value of Scheme assets	-	882,403
	<hr/>	<hr/>

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

### 18 Pension and other schemes *(continued)*

#### (a) BPP Section of the BASF UK Group Pension Scheme *(continued)*

##### Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

Assumption (% per annum)	2015	2014
Discount rate	-	3.7
Rate of inflation	-	3.1
Salary increases	-	3.1

*The following table shows assumed life expectations for example members at 31 December:*

Life expectancy (years)	2015	2014
Current pensioner, male aged 65	-	22.5
Current pensioner, female aged 65	-	24.8
Future pensioner, male aged 65*	-	24.1
Future pensioner, female aged 65*	-	26.6

\* Aged 65 in 15 years time.

At 31 December 2014, members were assumed to commute some of their pension in order to receive tax- free cash of around 90% of the post-‘A day’ maximum (before allowance for money purchase funds).

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

### 18 Pension and other schemes *(continued)*

#### (b) Ex-Gratia pension scheme

The Ex-Gratia scheme is an unfunded pension arrangement for certain ex-employees & is now closed. This obligation was transferred to BASF plc on 1 January 2015.

*The amounts recognised in the balance sheet are as follows:*

	2015 £000	2014 £000
<b>Development of Net Balance Sheet Position</b>		
Defined benefit obligation	-	(1,167)
Fair value of scheme assets	-	-
	<hr/>	<hr/>
Net defined benefit liability	-	(1,167)
	<hr/>	<hr/>
<b>Reconciliation of Net Balance Sheet Position</b>		
Defined benefit liability at end of prior period	(1,167)	(1,095)
Effect of employee service in the current period	-	(46)
Employer contributions	-	164
Benefits paid directly by the company	-	-
Re-measurement effects recognized in OCI	-	(190)
Transfer of defined benefit obligation	1,167	-
	<hr/>	<hr/>
Net defined benefit liability at end of current period	-	(1,167)
	<hr/>	<hr/>
<b>Assumptions and Dates Used for Measurements <i>(1)</i></b>		
Discount rate	-	3.700%
Price inflation	-	3.100%
Pension increases for deferred benefits		
• RPI-linked	-	n/a
• CPI-linked	-	n/a
Pension Increase for In-Payment Benefits		
• RPI-linked	-	2.900%
• Non-increasing	-	0.000%
Scheme membership census date	-	30/09/2014

*(1) Rates are expressed on an annual basis where applicable*

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

### 18 Pension and other schemes *(continued)*

#### (b) Ex-Gratia pension scheme *(continued)*

*The amounts recognised in the profit and loss account are as follows:*

	2015 £000	2014 £000
<b>Profit and Loss</b>		
Effect of employee service in the current period	-	-
Net interest on defined benefit liability	-	46
	<hr/>	<hr/>
Cost recognized in profit and loss	-	46
	<hr/>	<hr/>
<b>Other Comprehensive Income (OCI)</b>		
Actuarial loss arising during period	-	190
	<hr/>	<hr/>
Re-measurement effects recognised in OCI	-	190
	<hr/>	<hr/>
<b>Total Defined Benefit Cost</b>		
Cost recognised in profit and loss	-	46
Re-measurement effects recognised in OCI	-	190
	<hr/>	<hr/>
Total defined benefit cost	-	236
	<hr/>	<hr/>
<b>Assumptions Used to Determine Defined Benefit Cost (1)</b>		
Discount rate	-	4.400%
Price inflation	-	3.400%
Pension Increase for In-Payment Benefits		
• RPI-linked	-	3.100%
• Non-increasing	-	0.000%

*(1) These assumptions were used to calculate Net Benefit Expense as of the beginning of the year. Rates are expressed on an annual basis where applicable*

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

### 18 Pension and other schemes *(continued)*

#### (b) Ex-Gratia pension scheme *(continued)*

*Changes in the present value of the defined benefit obligation are as follows:*

	2015 £000	2014 £000
<b>Change in Defined Benefit Obligation (DBO)</b>		
DBO at end of prior period	-	1,095
Effect of employee service in the current period	-	-
Interest cost on the DBO	-	46
Scheme participants' contributions	-	-
Re-measurement of the DBO	-	190
Benefits paid from Scheme assets	-	(164)
	<hr/>	<hr/>
DBO at end of current period	-	1,167
	<hr/>	<hr/>
<b>Change in Scheme Assets</b>		
Fair value of assets at prior period end	-	-
Return on scheme assets greater than discount rate	-	-
Employer contributions	-	164
Scheme participants' contributions	-	-
Benefits paid	-	(164)
Settlements	-	-
	<hr/>	<hr/>
Fair value of assets at current period end	-	-
	<hr/>	<hr/>
<b>Return on Scheme Assets</b>		
Return on scheme assets	-	-
	<hr/>	<hr/>

*The major categories of plan assets as a percentage of total plan assets are as follows:*

	2015	2014
<b>Scheme Asset Information</b>		
Equity securities	0.0%	0.0%
Debt securities	0.0%	0.0%
Real estate/property	0.0%	0.0%
Other	0.0%	0.0%
Total	0.0%	0.0%
	<hr/>	<hr/>
Fair value of Scheme assets	-	-
	<hr/>	<hr/>

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

### 18 Pension and other schemes *(continued)*

(c) The pension assets and liabilities in the balance sheet are comprised as follows:

	2015 £000	2014 £000
Net pension asset from the BPP Section of the BASF UK Group Pension Scheme	-	30,437
Net pension liability from the Ex-Gratia Pension Scheme	-	(1,167)
	<hr/>	<hr/>
	-	29,270
	<hr/>	<hr/>

(d) Post-retirement medical insurance (note 17)

Until 2014 the company provided contributions towards medical insurance costs of certain employees beyond their retirement date. These arrangements are unfunded but provided for and the latest full actuarial valuation was carried out for the company at 31 December 2014 by independent actuaries. The valuation reflected the actual 2014 medical cost trend of 7.5%. This obligation transferred to BASF plc on 1 January 2015.

The principal assumptions for 2014 can be summarised as follows:

- (i) The rate of medical expenses inflation was assumed as 7.5% for 2014, decreasing 1% per year thereafter until reaching the ultimate rate of 5.5%.
- (ii) The discount rate used was 3.7%.
- (iii) Other assumptions were consistent with those made in evaluating the pension cost.

### 19 Called up share capital

	2015 £000	2014 £000
<i>Allotted, called up and fully paid</i>		
1 (2014: 1,019,813,362) ordinary shares of £0.05 each	-	50,991
0 (2014: 2) ordinary A shares of £0.05 each	-	-
0 (2014: 1) ordinary B share of £1 each	-	-
	<hr/>	<hr/>
	-	50,991
	<hr/>	<hr/>

On 1 May 2015, by special resolution and as part of a wider UK group simplification exercise, a capital reduction was completed such that 1,019,813,361 issued ordinary shares of £0.05 each, the 2 issued ordinary A shares of £0.05 each and the 1 issued ordinary B share of £1 in the capital of the company were reclassified to the profit and loss reserve in accordance with the provisions of the Companies Act 2006. From this date the issued share capital of the company was £0.05 (1 ordinary share of £0.05).



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

### 20 Loans and borrowings

	2015 £000	2014 £000
<b>Current loans and borrowings</b>		
Amounts owed to group undertakings	-	539,758

Amounts owed to group undertakings at 31 December 2014 comprised non-interest bearing loans repayable on demand and a short term variable rate loan on which interest was charged at an average rate of 1.16% payable monthly.

### 21 Related party transactions

All transactions with related parties during the current and prior year have been with the company's ultimate parent and fellow wholly owned subsidiaries. As such, the company has taken advantage of the exemption allowed under FRS 102.33.1A to not disclose such transactions. Related party balances outstanding at the balance sheet date are disclosed in total under the relevant notes above.

### 22 Commitments

Annual commitments for the company to make payments under non-cancellable operating leases:

	2015 Land £000	2015 Other £000	2014 Land £000	2014 Other £000
Commitments expiring:				
within one year	-	-	-	-
within two to five years	-	-	-	376
after 5 years	-	-	-	-
Total commitments	-	-	-	376

### 23 Ultimate parent undertaking and controlling party

The immediate parent undertaking of the company is Ciba Specialty Chemicals Water Treatments Limited, a company incorporated in England and Wales.

The directors consider that the ultimate parent company is BASF Societas Europaea (BASF SE), a company incorporated in Germany.

BASF SE is the parent undertaking of the smallest group of which BASF Performance Products Limited is a member and for which group financial statements are drawn up. Copies of these group financial statements are available from Press Office, BASF SE, 67056 Ludwigshafen, Germany.

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

### 24 Transition to FRS 102

These are the company's first financial statements prepared in accordance with FRS 102.

The last financial statements prepared under the previous UK Accounting Framework were for the year ended 31 December 2014. Therefore the date of transition was 1 January 2014.

The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 December 2015, the comparative information presented in these financial statements for the year ended 31 December 2014 and in the preparation of an opening FRS 102 balance sheet at 1 January 2014 (the company's date of transition).

In the transition to FRS 102 from old UK GAAP, the company has made adjustments to amounts previously reported in its financial statements. A summary of how these adjustments have affected the company's financial position and financial performance is set out in the following tables.

#### Balance Sheet at 1 January 2014

	Notes	As originally reported £000	Reclassified £000	Re-measured £000	As restated £000
<b>Fixed assets</b>					
Intangible assets		789	-	-	789
Tangible assets		79,329	-	-	79,329
		<u>80,118</u>	<u>-</u>	<u>-</u>	<u>80,118</u>
<b>Current assets</b>					
Stocks		54,815	-	-	54,815
Debtors	(a)	505,321	(3,590)	-	501,731
Cash at bank and in hand		100	-	-	100
		<u>560,236</u>	<u>(3,590)</u>	<u>-</u>	<u>556,646</u>
<b>Creditors: amounts falling due within one year</b>		<u>(283,654)</u>	<u>-</u>	<u>-</u>	<u>(283,654)</u>
<b>Net current (liabilities)/assets</b>		<u>276,582</u>	<u>(3,590)</u>	<u>-</u>	<u>272,992</u>
<b>Total assets less current liabilities</b>		<u>356,700</u>	<u>(3,590)</u>	<u>-</u>	<u>353,110</u>
<b>Creditors: amounts falling due after more than one year</b>		<u>(372,283)</u>	<u>-</u>	<u>-</u>	<u>(372,283)</u>
<b>Provisions for liabilities and charges</b>		<u>(20,084)</u>	<u>-</u>	<u>-</u>	<u>(20,084)</u>
<b>Net assets/(liabilities) excluding pension asset</b>		<u>(35,667)</u>	<u>(3,590)</u>	<u>-</u>	<u>(39,257)</u>
<b>Pension asset</b>	(a)	<u>14,359</u>	<u>3,590</u>	<u>-</u>	<u>17,949</u>
<b>Net assets/(liabilities)</b>		<u>(21,308)</u>	<u>-</u>	<u>-</u>	<u>(21,308)</u>
<b>Capital and reserves</b>					
Called up share capital		49,991	-	-	49,991
Share premium account		60,032	-	-	60,032
Profit and loss account		(131,331)	-	-	(131,331)
<b>Equity shareholders' funds</b>		<u>(21,308)</u>	<u>-</u>	<u>-</u>	<u>(21,308)</u>

(a) Under previous UKGAAP, the pension asset was stated net of the corresponding deferred tax balance. Under FRS 102, this deferred tax is reported as part of debtors, netted off against the company's other net deferred tax assets.

## Notes to the financial statements (continued)

### 24 Transition to FRS 102 (continued)

#### Balance Sheet at 31 December 2014

	Notes	As originally reported £000	Reclassified £000	Re-measured £000	As restated £000
<b>Fixed assets</b>					
Intangible assets	(a)	929	-	(102)	827
Tangible assets		89,811	-	-	89,811
		<u>90,740</u>	<u>-</u>	<u>(102)</u>	<u>90,638</u>
<b>Current assets</b>					
Stocks		47,090	-	-	47,090
Debtors	(b), (a)	466,385	(2,392)	21	464,014
		<u>513,475</u>	<u>(2,392)</u>	<u>21</u>	<u>511,104</u>
<b>Creditors: amounts falling due within one year</b>		<u>(564,201)</u>	<u>-</u>	<u>-</u>	<u>(564,201)</u>
<b>Net current liabilities</b>		<u>(50,726)</u>	<u>(2,392)</u>	<u>21</u>	<u>(53,097)</u>
<b>Total assets less current liabilities</b>		<u>40,014</u>	<u>(2,392)</u>	<u>(81)</u>	<u>37,541</u>
<b>Provisions for liabilities and charges</b>	(b), (c)	<u>(14,722)</u>	<u>1,638</u>	<u>(5,100)</u>	<u>(18,184)</u>
<b>Net assets excluding pension asset</b>		<u>25,292</u>	<u>(754)</u>	<u>(5,181)</u>	<u>19,357</u>
<b>Pension asset</b>	(b), (c)	<u>3,015</u>	<u>754</u>	<u>25,501</u>	<u>29,270</u>
<b>Net assets</b>		<u>28,307</u>	<u>-</u>	<u>20,320</u>	<u>48,627</u>
<b>Capital and reserves</b>					
Called up share capital		50,991	-	-	50,991
Share premium account		124,032	-	-	124,032
Profit and loss account	(a), (c)	<u>(146,716)</u>	<u>-</u>	<u>20,320</u>	<u>(126,396)</u>
<b>Equity shareholders' funds</b>		<u>28,307</u>	<u>-</u>	<u>20,320</u>	<u>48,627</u>

(a) Goodwill fully amortised under FRS 102 (reduction in estimated useful life).

(b) Under previous UKGAAP, the pension asset was stated net of the corresponding deferred tax balance. Under FRS 102, this deferred tax is reported with the company's other net deferred tax balances.

(c) Under previous UKGAAP, the amount of pension asset which could be recognised in the balance sheet was restricted under paragraph 37 of FRS 17. This restriction does not apply under FRS 102.

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

### 24 Transition to FRS 102 *(continued)*

#### Profit and loss account for the year ended 31 December 2014

	Notes	As originally reported £000	Reclassified £000	Re-measured £000	As restated £000
<b>Turnover</b>		294,719	-	-	294,719
<b>Cost of sales</b>		(266,673)	-	-	(266,673)
<b>Gross profit</b>		28,046	-	-	28,046
Distribution costs		(10,156)	-	-	(10,156)
Administration costs	(a),(b)	(12,706)	(68)	(102)	(12,876)
Pension – cost of curtailment	(c)	(25,501)	-	25,501	-
<b>Operating (loss)/profit</b>		(20,317)	(68)	25,399	5,014
Loss on sale of tangible fixed assets		(246)	-	-	(246)
Interest receivable and similar income	(a)	14	68	-	82
Interest payable and similar charges		(2,893)	-	-	(2,893)
Other finance income	(d)	5,734	-	(4,733)	1,001
<b>(Loss)/profit before taxation</b>		(17,708)	-	20,666	2,958
Taxation	(b),(c)	2,266	-	(4,132)	(1,866)
<b>(Loss)/profit for the financial year</b>		(15,442)	-	16,534	1,092

(a) Exchange gains have been reclassified from administrative costs to interest receivable and similar income under FRS 102.

(b) Goodwill fully amortised under FRS 102 (reduction in estimated useful life). Deferred tax provided on resulting timing difference.

(c) Under previous UKGAAP, the amount of pension asset which could be recognised in the balance sheet was restricted under paragraph 37 of FRS 17. This restriction does not apply under FRS 102. Deferred tax on resulting increase in asset value provided.

(d) Re-measurement of the net defined benefit pension asset recognised via Other Comprehensive Income under FRS 102.