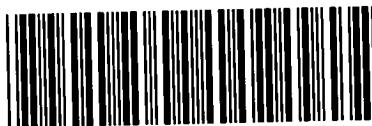


Company Registration No. 03311330 (England and Wales)

**DON CONSTRUCTION CHEMICALS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2016**  
**PAGES FOR FILING WITH REGISTRAR**

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# DON CONSTRUCTION CHEMICALS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr J F Igoe Mr T Ghandour Mr A R Beasley
<b>Secretary</b>	Mr A R Beasley
<b>Company number</b>	03311330
<b>Registered office</b>	Hawthorn House Helions Bumpstead Road Haverhill Suffolk CB9 7AA
<b>Auditor</b>	Ward Williams Belgrave House 39 - 43 Monument Hill Weybridge Surrey KT13 8RN
<b>Business address</b>	Hawthorn House Helions Bumpstead Road Haverhill Suffolk CB9 7AA

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# **DON CONSTRUCTION CHEMICALS LIMITED**

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# DON CONSTRUCTION CHEMICALS LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Property, plant and equipment	3		1,505		7,523
Investments	4		2,088,490		2,009,848
			<u>2,089,995</u>		<u>2,017,371</u>
<b>Current assets</b>					
Inventories		47,299		39,639	
Trade and other receivables	6	386,614		118,374	
Cash at bank and in hand		156,355		346,483	
		<u>590,268</u>		<u>504,496</u>	
<b>Current liabilities</b>	7	(121,524)		(97,287)	
<b>Net current assets</b>			<u>468,744</u>		<u>407,209</u>
<b>Total assets less current liabilities</b>			<u>2,558,739</u>		<u>2,424,580</u>
<b>Non-current liabilities</b>	8		(1,169,616)		(1,068,164)
<b>Net assets</b>			<u><u>1,389,123</u></u>		<u><u>1,356,416</u></u>
<b>Equity</b>					
Called up share capital	10		1,765,000		1,765,000
Other reserves	11		628,104		597,776
Retained earnings	12		(1,003,981)		(1,006,360)
<b>Total equity</b>			<u><u>1,389,123</u></u>		<u><u>1,356,416</u></u>

The directors of the company have elected not to include a copy of the income statement 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 by the board of directors and authorised for issue on 6 September 2017 and are signed on its behalf by:

Mr J F Igoe  
Director

Company Registration No. 03311330

# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

#### Company information

Don Construction Chemicals Limited is a private company limited by shares incorporated in England and Wales. The registered office is Hawthorn House, Helions Bumpstead Road, Haverhill, Suffolk, CB9 7AA.

The company changed its name on 24 March 2017. Prior to this date the company was called Don Construction Products Limited.

#### 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 pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 December 2016 are the first financial statements of Don Construction Chemicals Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 January 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 16.

#### 1.2 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

#### 1.3 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life in equal instalments, as follows:

Fixtures, fittings & equipment	over 5 years
Motor vehicles	over 4 years

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.

# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

---

### 1 Accounting policies

(Continued)

#### 1.4 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.5 Impairment of non-current 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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

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.

#### 1.6 Inventories

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

Inventories held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

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

#### 1.7 Cash and cash equivalents

Cash and cash equivalents 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.

# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

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### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting end date.

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

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

##### **Classification of financial liabilities**

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

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans and loans from fellow group companies, 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. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

---

### 1 Accounting policies

(Continued)

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 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

#### 1.12 Retirement benefits

The company participates in a group defined benefit scheme for the benefit of its employees. The regular cost of providing retirement pensions and related benefits is charged to the profit and loss account over the employees' service lives on the basis of a constant percentage of earnings. The employer is unable to identify its share of the underlying assets of the scheme on a consistent and reasonable basis. As the principal employer of the scheme acts as guarantor in respect of the pension payments, the contributions to the scheme are accounted for as if they were a defined contribution scheme.



# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 1 Accounting policies

(Continued)

#### 1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

### 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 2 (2015 - 2).

### 3 Property, plant and equipment

	Plant and machinery etc £
<b>Cost</b>	
At 1 January 2016 and 31 December 2016	26,272
<b>Depreciation and impairment</b>	
At 1 January 2016	18,749
Depreciation charged in the year	6,018
At 31 December 2016	24,767
<b>Carrying amount</b>	
At 31 December 2016	1,505
At 31 December 2015	7,523

### 4 Fixed asset investments

	2016 £	2015 £
Investments	2,088,490	2,009,848

The company has not designated any financial assets that are not classified as financial assets at fair value through profit or loss.

# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 4 Fixed asset investments (Continued)

#### Movements in non-current investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 January 2016	2,009,848
Additions	78,642
At 31 December 2016	2,088,490
<b>Carrying amount</b>	
At 31 December 2016	2,088,490
At 31 December 2015	2,009,848

### 5 Subsidiaries

Details of the company's subsidiaries at 31 December 2016 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
DCP Baltics OU	Estonia	Construction product manufacturer	Ordinary	50.00
Don Construction Chemicals India Limited	India	Construction product manufacturer	Ordinary	100.00

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
DCP Baltics OU	24,603	312,300
Don Construction Chemicals India Limited	(794,044)	1,025,415

### 6 Trade and other receivables

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade receivables	99,250	43,478
Amounts due from group undertakings	262,340	60,278
Other receivables	25,024	14,618
	386,614	118,374

# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 6 Trade and other receivables

(Continued)

Trade receivables disclosed above are measured at amortised cost.

### 7 Current liabilities

	2016 £	2015 £
Trade payables	655	248
Corporation tax	13,548	18,535
Other taxation and social security	3,946	1,951
Other payables	103,375	76,553
	<u>121,524</u>	<u>97,287</u>

### 8 Non-current liabilities

	2016 £	2015 £
Amounts due to group undertakings	<u>1,169,616</u>	<u>1,068,164</u>

### 9 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 10 Called up share capital

	2016 £	2015 £
Ordinary share capital Issued and fully paid		
1,765,000 Ordinary shares of £1 each	<u>1,765,000</u>	<u>1,765,000</u>

# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 11 Other reserves

	Other Reserves £
At 1 January 2015	597,776
As restated	597,776
At 31 December 2015	597,776
Additions	30,328
At 31 December 2016	628,104

Other reserves represents both the capital contribution on the loan from a fellow subsidiary under the direction of the parent company, and also the capital contribution on a loan from the parent company. This reserve is non distributable.

### 12 Retained earnings

	2016 £	2015 £
At the beginning of the year	(1,006,360)	(1,027,968)
Profit for the year	2,379	21,608
At the end of the year	(1,003,981)	(1,006,360)

The retained earnings account represents the cumulative profits and losses net of dividends and other adjustments.

### 13 Audit report information

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

The auditor's report was unqualified.  
The senior statutory auditor was Richard Hayward.  
The auditor was Ward Williams.

### 14 Related party transactions

Transactions with related parties

# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 14 Related party transactions

(Continued)

The company has taken advantage of the exemption in FRS102 section 33 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the parent company. The consolidated financial statements are available from Churnetside Business Park, Station Road, Cheddleton, Leek, Staffordshire, ST13 7RS.

During the year, the company made purchases of £391,938 (2015: £457,197) and sales of £300 (2015: £150) to F. Ball and Co. Limited, a company in which A Beasley and J Igoe are also directors. At the year end the company owed £48,270 (2015: £69,887) to F. Ball and Co. Limited.

During the year, the company made sales of £44,849 (2015: £158,816) to F. Ball and Co. (Asia) PTE Limited, a subsidiary of F. Ball and Co. Limited.

### 15 Parent company

The ultimate parent company is Don Construction Holdings Limited, a company registered in England and Wales.

The consolidated financial statements of Don Construction Holdings Limited can be obtained from Churnetside Business Park, Station Road, Cheddleton, Staffs, ST13 7RS.

### 16 Reconciliations on adoption of FRS 102

Reconciliations and descriptions of the effect of the transition to FRS 102 on; (i) equity at the date of transition to FRS 102; (ii) equity at the end of the comparative period; and (iii) profit or loss for the comparative period reported under previous UK GAAP are given below.

#### Reconciliation of equity

		1 January 2015	31 December 2015
	Notes	£	£
Equity as reported under previous UK GAAP		776,023	846,416
Adjustments arising from transition to FRS 102:			
Intercompany interest	1	(38,991)	(87,776)
Capital contribution	1	576,915	597,776
Equity reported under FRS 102		<u>1,313,947</u>	<u>1,356,416</u>

# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 16 Reconciliations on adoption of FRS 102

(Continued)

#### Reconciliation of profit for the financial period

	Notes	2015 £
Profit as reported under previous UK GAAP		70,393
Adjustments arising from transition to FRS 102:		
Intercompany interest	1	(48,785)
Capital contribution	1	-
Profit reported under FRS 102		21,608

#### Reconciliation of equity

	At 1 January 2015			At 31 December 2015		
	Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
Notes	£	£	£	£	£	£
<b>Fixed assets</b>						
Property, plant and equipment	13,541	-	13,541	7,523	-	7,523
Investments	1,703,087	-	1,703,087	2,009,848	-	2,009,848
	1,716,628	-	1,716,628	2,017,371	-	2,017,371
<b>Current assets</b>						
Inventories	43,766	-	43,766	39,639	-	39,639
Trade and other receivables	396,536	-	396,536	109,341	-	109,341
Bank and cash	194,360	-	194,360	346,483	-	346,483
	634,662	-	634,662	495,463	-	495,463
<b>Creditors due within one year</b>						
Taxation	(7,815)	-	(7,815)	(11,453)	-	(11,453)
Other payables	(53,840)	-	(53,840)	(76,801)	-	(76,801)
	(61,655)	-	(61,655)	(88,254)	-	(88,254)
Net current assets	573,007	-	573,007	407,209	-	407,209
Total assets less current liabilities	2,289,635	-	2,289,635	2,424,580	-	2,424,580
<b>Creditors due after one year</b>						
Borrowings	(1,513,612)	537,924	(975,688)	(1,578,164)	510,000	(1,068,164)
Net assets	776,023	537,924	1,313,947	846,416	510,000	1,356,416

# DON CONSTRUCTION CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2016

### 16 Reconciliations on adoption of FRS 102

(Continued)

	At 1 January 2015			At 31 December 2015		
	Previous UK GAAP	Effect of transition	FRS 102	Previous UK GAAP	Effect of transition	FRS 102
Notes	£	£	£	£	£	£
<b>Equity</b>						
Share capital	1,765,000	-	1,765,000	1,765,000	-	1,765,000
Other reserves	-	576,915	576,915	-	597,776	597,776
Profit and loss	(988,977)	(38,991)	(1,027,968)	(918,584)	(87,776)	(1,006,360)
Total equity	776,023	537,924	1,313,947	846,416	510,000	1,356,416

### Reconciliation of profit for the financial period

	Notes	Year ended 31 December 2015		
		Previous UK GAAP	Effect of transition	FRS 102
		£	£	£
Revenue	1	770,841	-	770,841
Cost of sales		(470,307)	-	(470,307)
Gross profit		300,534	-	300,534
Distribution costs		(20,882)	-	(20,882)
Administrative expenses		(193,741)	-	(193,741)
Other operating income		2,651	-	2,651
Operating profit		88,562	-	88,562
Interest receivable and similar income		365	-	365
Finance costs		-	(48,784)	(48,784)
Profit before taxation		88,927	(48,784)	40,143
Taxation		(18,535)	-	(18,535)
Profit for the financial period		70,392	(48,784)	21,608

### Notes to reconciliations on adoption of FRS 102

#### 1. Intercompany loan

Under previous UK GAAP the intercompany loan was recognised at cost. FRS102 requires this to be measured at amortised cost based on the market rate of interest. As the loan has been received from a fellow subsidiary company under the direction of the parent company, the discount has been recognised in other reserves as a capital contribution