

**Allnex Industries UK Limited**

Annual report and financial statements

Registered number 05235411

For the year ended 31 December 2017

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## **Strategic report**

### **Principal activities**

As at 31 December 2017, Allnex Industries UK Limited (the "Company") is an intermediate holding company.

The main activity is holding and financing of group companies.

Up to September 2016, the Company was part of the Nuplex Group in New Zealand. From 1 March 2017 the name Nuplex Industries UK Limited was changed to Allnex Industries UK Limited.

### **Comparison with previous year**

On 1 November 2016 the Company's articles of association were changed. As an effect of this the Company's financial year has been changed from 1 July up to 30 June to the calendar year ending 31 December. As a result of this the current financial year covers the period 1 January 2017 up to 31 December 2017, the comparative financial year covers the period 1 July 2015 up to 31 December 2016.

The accounting policies have been consistently applied to all the periods presented.

### **Business Review**

The only activity of the Company during the year was that of a holding company.

During the year the Company did not receive (2016: £177,819,000) or pay dividends (2016: £200,513,000).

The loss after tax for the financial period was £1,668,000 (2016: profit £153,523,000)

Allnex Industries UK Limited supports the global strategy of allnex as a dedicated resins producer, to improve returns and grow earnings through strengthening and growing allnex, via operational excellence and building market leading positions. For building market leading positions the focus areas are on profitable emerging markets, R&D and strategic mergers and acquisitions that could in the future be incorporated in the Company.

### **Group relationships**

The Company is wholly owned by Allnex Holding UK Limited, and part of a group of which Allnex (Luxembourg) & Cy S.C.A, Luxembourg City, Luxembourg is the ultimate parent.

### **Future developments**

The Company's overall business is expected to continue as holding company over the coming years.

### **Review of financial performance and key performance indicators**

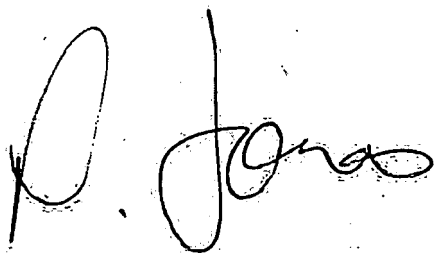
As at 31 December 2017 the Company had net liabilities of £1,668,000 (2016: £nil)

### **Principal risks and uncertainties**

Risks facing the Company are the possibility of losses due to exchange rate fluctuations impacting its foreign currency denominated assets and liabilities, and impairments of investments in subsidiaries due to non-performance. The Company is part of a guaranteeing group for a revolving multi - currency bank loan facility arranged by Allnex S.à.r.l.

By order of the board

Paul Jones  
*Secretary*

A handwritten signature in black ink, appearing to read 'P. Jones', with a large, stylized 'J' and a long horizontal stroke at the end.

North Woolwich Road  
London, E16 2AF

27 September 2018

## **Directors' report**

The directors present their directors' report and annual report and financial statements for the year ended 31 December 2017.

### **Financial Risk Management**

During the year, the Company has not entered into any derivative transactions and the Company does not invest liquidity in financial products including hedge funds or similar vehicles.

The Company engages in a limited number of transactions and consequently does not have any significant customer credit risk.

### **Dividends**

The company did not pay interim dividends (2016: £200,513,000).

The directors do not recommend payment of a final dividend (2016: £nil).

### **Going concern**

The Company is in a net current liability position as at 31 December 2017. However, the Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial and other support of Allnex Belgium NV, which has sufficient resources to supply the support, to the Company. This support is expected to continue for the foreseeable future, including not seeking early repayment of amounts currently made available if the effect of calling for such repayment would be likely to give rise to an inability of the Subsidiary to meet its financial liabilities and obligations as they fall due. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

### **Directors and directors' interests**

The directors who held office during the year and up to the date of signing this report were as follows:

Clive Cuthell (Resigned 12 July 2017)

Evan James Williams (Resigned 12 July 2017)

Duncan Taylor (Appointed 12 July 2017)

Marie Van In (Appointed 12 July 2017)

None of the directors who held office at the end of the financial year had any disclosable interest in the shares of the Company.

### **Political and charitable contributions**

The Company made no political or charitable donations or incurred any political expenditure during the year (2016: £nil).

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

### **Directors' indemnities**

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

### **Disclosure of information to independent auditor**

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 they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

### **Auditor**

In accordance with Section 487 of the Companies Act 2016, PWC LLP were not re-appointed as the Company's auditor. KPMG LLP were appointed as the company's auditor for the year ended 31 December 2017.

By order of the board

A handwritten signature in black ink, appearing to read 'P. Jones', is written over a faint dotted line.

**Paul Jones**  
*Secretary*

North Woolwich Road  
London  
E16 2AF  
27 September 2018

## Statement of directors' responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent;
- notify its shareholders in writing about the use of disclosure exemptions, if any, of FRS 102 used in the preparation of 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.

The directors 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.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLNEX INDUSTRIES UK LIMITED**

## **Opinion**

We have audited the financial statements of Allnex Industries UK Limited ("the company") for the year ended 31 December 2017 which comprise the Profit and Loss Account, the Balance Sheet and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

## **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required 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.

We have nothing to report in these respects.



### **Directors' responsibilities**

As explained more fully in their statement set out on page 4, the directors are responsible for: the preparation of the financial statements and for being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so:

### **Auditor's responsibilities**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.



**Toby Odell (Senior Statutory Auditor)**  
for and on behalf of KPMG LLP, Statutory Auditor  
*Chartered Accountants*  
15 Canada Square  
London  
E14 5GL  
United Kingdom

28 September 2018

## Profit and loss account

For the year ended 31 December 2017

	Note	Year ended 31 December 2017 £000	18 months to 31 December 2016 £000
Administrative expenses	2	(4)	-
Result from participations in group companies	3	-	154,290
Interest payable and similar charges	5	(1,664)	(743)
		<hr/>	<hr/>
<b>Result on ordinary activities before taxation</b>		<b>(1,668)</b>	<b>153,547</b>
Tax on result on ordinary activities	6	-	(24)
		<hr/>	<hr/>
<b>Result for the financial period</b>		<b>(1,668)</b>	<b>153,253</b>
		<hr/>	<hr/>

There are no recognised gains and losses for the current period and prior year other than those presented in the profit and loss account above. Accordingly no statement of other comprehensive income has been presented. The results for the current period and prior years are derived from continuing operations.


The accompanying notes are an integral part of the financial statements.

**Balance Sheet**  
*As at 31 December 2017*

	Note	31 December 2017 £000	31 December 2016 £000
<b>Current assets</b>			
Debtors	9	5,211	33,277
Cash at bank		-	15
<b>Total assets</b>		<b>5,211</b>	<b>33,292</b>
<b>Creditors: amounts falling due within one year</b>	10	<b>(6,879)</b>	<b>(33,292)</b>
<b>Net (liabilities) / assets</b>		<b>(1,668)</b>	<b>-</b>
<b>Capital and reserves</b>			
Called up share capital	11	8,927	8,927
Distributable reserves	11	-	37,950
Profit and loss account	11	(10,595)	(46,877)
<b>Total shareholders' (deficit) / funds</b>		<b>(1,668)</b>	<b>-</b>

The accompanying notes are an integral part of the financial statements.

These financial statements on pages 10 to 18 were approved by the board of directors on 27 September 2018 and were signed on its behalf by:

  
**Duncan Adrian Taylor**  
Director

## **Notes to the financial statements for the year ended 31 December 2017**

*(Forming part of the financial statements)*

### **1 Accounting policies**

Allnex Industries UK Limited ("the Company") is a company limited by shares and incorporated and domiciled in the UK, E16 2AF North Woolwich Road, London.

As at 31 December 2017, the Company is an intermediate holding company. The main activity is holding and financing of group companies.

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

These financial statements were prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS102") as issued in August 2014 and the amendment to FRS 102 issued in July 2015.

The functional currency of these financial statements being the primary economic environment of the company is sterling.

The Company's parent undertaking, Allnex (Luxembourg) & Cy S.C.A includes the company in its consolidated financial statements. 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 FRS102 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Key management personnel compensation.

As the consolidated financial statements of Allnex Luxembourg Cy S.C.A include the equivalent disclosures, the company has also taken the exemption under FRS 102 available in respect of the following disclosures.

- The disclosures required by FRS102.11 basic financial instruments and FRS102.12 other financial instruments.

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

### ***Basis of preparation***

The financial statements have been prepared on the going concern basis, under the historical cost convention modified to include the revaluation of certain financial assets and liabilities, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies, which have been applied consistently throughout the year, are set out below.

The Company is in a net current liability position as at 31 December 2017. However, the Directors believe that preparing the financial statements on the going concern basis is appropriate due to the continued financial and other support of Allnex Belgium NV, which has sufficient resources to supply the support, to the Company. This support is expected to continue for the foreseeable future, including not seeking early repayment of amounts currently made available if the effect of calling for such repayment would be likely to give rise to an inability of the Subsidiary to meet its financial liabilities and obligations as they fall due. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

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

### *Financial assets: Subsidiaries and associates*

Subsidiaries and associates held for the permanent furtherance of the company's operations, which are classified as financial fixed assets, are stated at cost.

If an asset qualifies as impaired, it is measured at its impaired value (net asset value); any write-offs are disclosed in the profit and loss account.

For details on how to determine whether an associate is impaired, please refer to paragraph 'Impairment of non-current assets' below.

### *Provisions*

Provisions are recognised in the balance sheet when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of resources will be required to settle this obligation and a reliable estimate of this obligation can be made.

### *Foreign currencies*

Transactions denominated in foreign currencies are recorded at the exchange rate ruling on the date the transaction takes place, when the rate specified in the related contract is used. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Exchange differences (gains or losses) arising in the normal course of business and on the translation of monetary assets and liabilities are included in the profit and loss account

### *Taxation*

The charge for taxation is based on the profit for the year and takes into account deferred tax because of timing differences between the treatments of certain items for taxation and accounting purposes.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS102.

Current income tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted by the balance sheet date.

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

### 2 Administrative Expenses

The auditor's remuneration for the statutory audit of these financial statements is £3,654 (2016: £5,000). In 2016, this was borne by another group company.

### 3 Result from participations in group companies

	Year ended 31 December 2017 £000	18 months to 31 December 2016 £000
Dividends received	-	177,819
Impairment of investments in subsidiaries	-	(50,498)
Gain on sale of investment	-	26,969
	<hr/>	<hr/>
	-	154,290
	<hr/>	<hr/>

### 4 Remuneration of directors and staff

The directors received no remuneration for their services to the Company for the year (2016: £nil). The present directors are employed by, and receive remuneration for services from a wholly owned subsidiary of the ultimate parent undertaking.

There were no employees of the Company during the year (2016: nil).

### 5 Interest payable and similar charges

	Year ended 31 December 2017 £000	18 months to 31 December 2016 £000
Interest related to group undertakings	1,605	528
Foreign exchange result	58	215
Other financial costs	1	-
	<hr/>	<hr/>
	1,664	743
	<hr/>	<hr/>

## Notes to the financial statements (continued)

### 6 Tax on profit on ordinary activities

Analysis of charge in year

	Year ended 31 December 2017 £000	18 months to 31 December 2016 £000
<i>Current tax</i>		
UK corporation tax on profits for the year	-	-
Adjustment in respect of prior periods	-	24
<b>Total current tax</b>	<b>-</b>	<b>24</b>

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

Tax assessed for the period is lower (18 months ending December 2016: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2017 of 19.25% (18 months ending December 2016: 20%).

The differences are explained below:

<i>Current tax reconciliation</i>	Year ended 31 December 2017 £000	18 months to 31 December 2016 £000
Result on ordinary activities before tax	(1,668)	153,547
Result multiplied by standard rate of tax in UK of 19.25% (2016: 20%)	(321)	30,709
<i>Effects of:</i>		
Income not subject to tax	-	(40,958)
Expenses not deductible for tax purposes	-	10,102
Group relief	321	147
Adjustment to tax charge in respect of prior years	-	24
<b>Total current tax charge (see above)</b>	<b>-</b>	<b>24</b>

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

### *Factors that may affect future tax charges:*

The tax rate for the current period is lower than the prior period due to changes in the UK corporation tax rate which decreased from 20% in 2016 to 19.25% in 2017.

Further reductions to the UK tax corporation tax rates were enacted as part of the Finance Act 2016 on September 2016. This reduces the main rate to 19% from 1 April 2017 down to 17% from 1 April 2020.

## 7 Dividends

	Year ended 31 December 2017 £000	18 months to 31 December 2016 £000
Equity shares:		
Dividends paid	-	200,513
Dividend per share in GBP	0.00	22.46



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

### 8 Debtors

	31 December 2017 £000	31 December 2016 £000
Amounts owed by group undertakings	5,187	33,253
Withholding tax	24	24
	<u>5,211</u>	<u>33,277</u>

- Amounts owed by group undertakings are unsecured, and are repayable on demand and relate to a portion of dividends paid which are repayable by the shareholder.

### 9 Creditors

	31 December 2017 £000	31 December 2016 £000
Amounts owed to group undertakings	(6,875)	(33,292)
Accruals	(4)	-
	<u>(6,879)</u>	<u>(33,292)</u>

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

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

### 10 Statement of Changes in Equity

For the year ended 31 December 2017

	Share capital £000	Distributable reserves £000	Profit & loss reserves £000	Total £000
As at 1 January 2017	8,927	37,950	(46,877)	-
Movement in the year	-	(37,950)	37,950	-
Loss for the financial year	-	-	(1,668)	(1,668)
Dividend paid	-	-	-	-
As at 31 December 2017	<u>8,927</u>	<u>-</u>	<u>(10,595)</u>	<u>(1,668)</u>

### 11 Called up share capital

*Allotted, called up and fully paid*

Share capital : 8,927,000 (2016: 8,927,000) ordinary shares of £1 each

The ordinary shares have an entitlement to one vote per share.

### 12 Ultimate parent undertaking and controlling party

The immediate parent is Allnex Holding UK Limited.

The ultimate parent undertaking and controlling party is Allnex (Luxembourg) & Cy S.C.A which operates as part of the allnex Group.

The only group in which the results of the Company are consolidated is Allnex (Luxembourg) & Cy S.C.A. The consolidated financial statements of the group are available to the public and may be obtained from Allnex (Luxembourg) & Cy S.C.A registered office at 78, Grand Rue, L – 1660 Luxembourg RCS, Luxembourg B 172.541.