

Registered number: 07062733

AQUATROLS EUROPE LIMITED

FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 DECEMBER 2022



AQUATROLS EUROPE LIMITED
REGISTERED NUMBER: 07062733

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	3	202,294	303,443
Tangible assets	4	16,488	17,624
Investments	5	2	2
		<u>218,784</u>	<u>321,069</u>
Current assets			
Stocks		1,058,221	346,429
Debtors: amounts falling due within one year	6	1,037,877	1,354,082
Cash at bank and in hand	7	145,209	462,473
		<u>2,241,307</u>	<u>2,162,984</u>
Current liabilities			
Creditors: amounts falling due within one year	8	(162,663)	(159,133)
Net current assets		<u>2,078,644</u>	<u>2,003,851</u>
Total assets less current liabilities		<u>2,297,428</u>	<u>2,324,920</u>
Provisions for liabilities			
Deferred tax	9	-	(506)
Net assets		<u><u>2,297,428</u></u>	<u><u>2,324,414</u></u>
Capital and reserves			
Called up share capital	10	1,000	1,000
Other reserves	11	92,547	92,547
Profit and loss account	11	2,203,881	2,230,867
		<u><u>2,297,428</u></u>	<u><u>2,324,414</u></u>

AQUATROLS EUROPE LIMITED
REGISTERED NUMBER: 07062733

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2022

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

D G Konke *September 28, 2023*

D G Konke
Director

Date: 28 September 2023

The notes on pages 3 to 11 form part of these financial statements.

AQUATROLS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1. General information

The company is a private company (limited by shares), incorporated and domiciled in England and Wales.

The company's registered office is 6th Floor, 2 London Wall Place, London EC2Y 5AU.

The average number of employees, including directors, during the year was 11 (2021 - 10).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

2.2 Exemption from preparing consolidated financial statements

The company has not produced consolidated financial statements on the grounds that its subsidiary undertakings, when taken in aggregate, are not material.

2.3 Going concern

The financial statements have been prepared on a going concern basis. In assessing this, the directors have prepared forecasts for the company and given due consideration to the long term financing, their working capital requirements and the profits and cash generation anticipated by the company.

The directors have received confirmation that the parent company, Aquatrols Corporation of America, will continue to support the company for the foreseeable future, and for a minimum period of 12 months from the date of approval of these financial statements. The directors have made enquiries of the parent company, and have received appropriate assurances that it is in a position to provide the necessary support for the foreseeable future.

Having regard to the above, the directors believe it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

AQUATROLS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

2.5 Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.6 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

AQUATROLS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.7 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the reporting date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.8 Intangible assets

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

Goodwill currently held is being amortised over a ten-year period on a straight line basis.

2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

AQUATROLS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 20% reducing balance
Fixtures and fittings	- 10% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is 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.

2.12 Debtors

Short term debtors are measured at transaction price, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.14 Creditors

Short term creditors are measured at the transaction price.

AQUATROLS EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

3. Intangible assets

	Goodwill £
Cost	
At 1 January 2022	1,011,485
At 31 December 2022	<u>1,011,485</u>
Amortisation	
At 1 January 2022	708,042
Charge for the year on owned assets	101,149
At 31 December 2022	<u>809,191</u>
Net book value	
At 31 December 2022	<u>202,294</u>
At 31 December 2021	<u>303,443</u>

AQUATROLS EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Tangible fixed assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 January 2022	31,159	784	31,943
At 31 December 2022	<u>31,159</u>	<u>784</u>	<u>31,943</u>
Depreciation			
At 1 January 2022	14,125	194	14,319
Charge for the year on owned assets	1,111	25	1,136
At 31 December 2022	<u>15,236</u>	<u>219</u>	<u>15,455</u>
Net book value			
At 31 December 2022	<u>15,923</u>	<u>565</u>	<u>16,488</u>
At 31 December 2021	<u>17,034</u>	<u>590</u>	<u>17,624</u>

5. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2022	2
At 31 December 2022	<u>2</u>

AQUATROLS EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

6. Debtors

	2022 £	2021 £
Trade debtors	853,871	460,385
Amounts owed by group undertakings	95,386	854,095
Other debtors	15,106	25,267
Prepayments and accrued income	73,514	14,335
	<u>1,037,877</u>	<u>1,354,082</u>

7. Cash and cash equivalents

	2022 £	2021 £
Cash at bank and in hand	<u>145,209</u>	<u>462,473</u>

8. Creditors: Amounts falling due within one year

	2022 £	2021 £
Trade creditors	46,048	46,076
Other taxation and social security	14,564	7,753
Accruals and deferred income	102,051	105,304
	<u>162,663</u>	<u>159,133</u>

9. Deferred taxation

	2022 £	2021 £
At beginning of year	506	4,130
Credited to profit or loss	(506)	(3,624)
At end of year	<u>-</u>	<u>506</u>

AQUATROLS EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Deferred taxation (continued)

The deferred taxation balance is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	-	506
	<u> </u>	<u> </u>

10. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
1,000 (2021 - 1,000) Ordinary shares of £1 each	1,000	1,000
	<u> </u>	<u> </u>

11. Reserves

Other reserves

Other reserves represent distributable capital contributions made by the shareholders.

Profit and loss account

The profit and loss account includes accumulated distributable profit and loss reserves.

12. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £26,644 (2021 - £24,464). Contributions totalling £6,130 (2021 - £4,215) were payable to the fund at the balance sheet date and are included in creditors.

AQUATROLS EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

13. Commitments under operating leases

At 31 December 2022 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2022 £	2021 £
Not later than 1 year	47,758	33,928
Later than 1 year and not later than 5 years	13,316	21,521
	<u>61,074</u>	<u>55,449</u>

14. Related party transactions

In accordance with the exemption provided by FRS 102, the company has not disclosed transactions with fellow group undertakings.

15. Controlling party

At the year end, the company was a wholly owned subsidiary of Aquatrols Holding Company Inc. ("AHI"), a company incorporated in the USA, which was the parent undertaking of the smallest group of which the company was a member. AHI's registered office is 1273 Imperial Way, Paulsboro, NJ 08066, USA.

At the year end, the company's ultimate parent undertaking was Rural American Fund II L.P ("RAF"), an investment fund registered in the USA, which was the parent undertaking of the largest group of which the company was a member. RAF's registered office is 115 South LaSalle Street, Suite 2920, Chicago, Illinois 60603, USA.

After the year end, following a business combination, the ultimate parent undertaking became the Lamberti Group.

No group undertakings prepare consolidated financial statements that are publicly available.

16. Auditor's information

The auditor's report on the financial statements for the year ended 31 December 2022 was unqualified.

The audit report was signed on 28 September 2023 by Ryan Ketteringham (Senior Statutory Auditor) on behalf of Crowe U.K. LLP.