

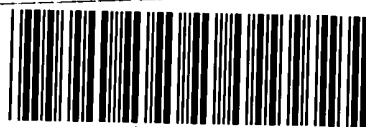
Eurocell Holdings Limited

Annual Report and Financial Statements

For the Year Ended 31 December 2016

Registered Number 08654336

SATURDAY



A6F332B7

A22

16/09/2017

#103

COMPANIES HOUSE

Company Information

Directors

Mark Kelly (appointed 29 March 2016)
Patrick Bateman (resigned 30 June 2016)
Matthew Edwards (resigned 30 June 2016)

Company Secretary

Gerald Copley (appointed 15 April 2016)
Matthew Edwards (resigned 15 April 2016)

Registered Number

08654336

Registered Office

Fairbrook House
Clover Nook Road
Alfreton
Derbyshire
DE55 4RF

Independent Auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Bankers

Barclays Bank plc
1 Churchill Place
London
E14 5HP

Contents

4-6	Strategic Report
7-8	Directors' Report
9-10	Independent Auditors' report to the Members of Eurocell Holdings Limited
11	Income Statement
12	Statement of Financial Position
13	Statement of Changes in Equity
14-22	Notes to the Financial Statements

Strategic Report

Principal activities

Eurocell Holdings Limited is a private company incorporated and registered in England and Wales under the Companies Act with registered number 08654336.

The Company is a 100% subsidiary of Eurocell plc, a Company listed on the London Stock Exchange. The principal activity of the Company is that of a holding Company. The Eurocell plc group is the UK's leading manufacturer, distributor and recycler of PVC-U window, door, conservatory and roofline systems.

Business review

The results for the year are set out in the income statement on page 11. The Company does not trade, with the only transactions through the income statement being investment income, interest payable and interest receivable.

Key performance indicators

The key performance indicators for the Group are disclosed in full in the annual report and financial statements of Eurocell plc.

Future developments

The Company intends to continue as a holding company for the foreseeable future.

Principal risks and uncertainties

The risks facing Eurocell Holdings Limited are those facing its trading subsidiaries.

The trading subsidiaries continue to offset the risk of competitive pressure through continuing to focus on customer needs. Price is an important consideration and the Company strives to reduce costs by identifying non value added processes whilst continuing to exceed customer expectations.

The Group's business may be affected by fluctuations in the price and supply of key raw materials, although purchasing policies and practices seek to mitigate, where practicable, such risks.

The group risks to which Eurocell Holdings Limited are exposed are discussed in Eurocell plc's Annual Report which does not form part of this report.

The Company is exposed, mainly through its subsidiaries' operations, to the following financial risks:

- Credit risk
- Liquidity risk

In common with all other businesses, the Company is exposed to risks that arise from its use of financial instruments. There have been no substantive changes in the Company's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated.

Strategic Report (continued)

General objectives, policies and processes

The Board of Eurocell plc has overall responsibility for the determination of the Company's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Company's Steering Group.

The Board receives monthly reports from the Chief Financial Officer through which it reviews the effectiveness of the processes put in place and the appropriateness of the objectives and policies it sets.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Company's competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the subsidiaries if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The subsidiaries are mainly exposed to credit risk through their trade receivables arising from their normal commercial activities. It is Group policy, implemented locally, to assess the credit risk of new customers before entering contracts. Such credit ratings are taken into account by local business practices.

Existing credit risks associated with trade receivables are managed in line with Company policies as discussed in the financial assets section of accounting policies. Trade receivables are not insured and consequently in depth credit reviews are undertaken for both new and ongoing customer accounts.

Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. This risk is mitigated by ensuring that deposits are only made with banks and financial institutions with a good rating issued by an industry-recognised independent third party e.g. Standard and Poor's.

The Company is financed by group borrowings.

Liquidity risk

Liquidity risk arises from the Group's management of working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Group and Company will encounter difficulty in meeting its financial obligations as they fall due.

The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. To achieve this aim, annual Group cash flow models are prepared and updated on a regular basis to ensure that the Company has adequate headroom in its facilities.

The Board receives monthly updates on the liquidity position and any issues are reported by exception. At the end of the financial year, these projections indicated that the Group and Company expected to have sufficient liquid resources to meet its obligations under all reasonably expected circumstances.

Strategic Report (continued)

Environment

The Group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to mitigate any adverse impact that might be caused by its activities. Initiatives aimed at minimising the Company's impact on the environment include safe disposal of manufacturing waste, recycling and reducing energy consumption.

Employees

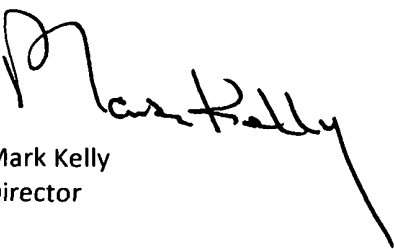
Details of number of employees and related costs can be found in note 4 to the financial statements.

Applications for employment by disabled persons are considered fully, bearing in mind the aptitudes of the applicant concerned. In the event of employees becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

The Company participates in Eurocell plc's policies and practices to keep employees informed on matters relevant to them through appropriate means, such as employee meetings and newsletters. This ensures that there is a common awareness across all employees in relation to the financial and economic factors that affect the performance of the Company. The Company also encourages and provides opportunities for employees to contribute their views.

The Group has introduced a save as you earn scheme ("SAYE" or "Sharesave" scheme) to encourage the involvement of employees in Company performance.

This report was approved by the Board on ~~3~~June 2017 and signed on its behalf



Mark Kelly
Director

Directors' Report

The Directors present their annual report on the affairs of the Company, together with the financial statements and auditors' report, for the year ended 31 December 2016.

Results and dividends

The profit for the financial year, amounted to £29,679,000 (2015: £15,796,000). During the year the Company paid a dividend of £30,000,000 (2015: £10,000,000).

Directors

The Directors who served during the year and up to the date of signing the financial statements are noted on the Company Information page.

All of the Directors benefited from qualifying third-party indemnity provisions put in place during the year and at the date of this report.

Management routinely plan future activities including forecasting future cash flows. Management have reviewed their plan with the Directors and have collectively formed a judgement that the Company has adequate resources to continue as a going concern for at least 12 months from the date of signing of these financial statements.

In arriving at this judgement the Directors have reviewed cash flow projections of the Company in light of the trading and financial uncertainties in the current economic climate and have considered existing commitments together with the financial resources available to the Company and its wider group.

The Directors have also received confirmation from its ultimate parent company, Eurocell plc, that it will continue to provide financial support as required to enable the Company to meet its obligations as and when they fall due and in any event for a period of at least 12 months from the date of signing the financial statements.

Strategic Report

As permitted by section 414C of the Companies Act 2006, certain information required to be included in the Directors' Report has been included in the Strategic Report. Specifically, this relates to information on the likely future developments of the business, financial risk management and employees.

Statement of directors' responsibilities in respect of the financial statements

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 directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", 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:

Directors' Report (continued)

Statement of directors' responsibilities in respect of the financial statements (continued)

- Select suitable accounting policies and then apply them consistently;
- State whether applicable United Kingdom Accounting Standards, comprising FRS 101, 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; 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.

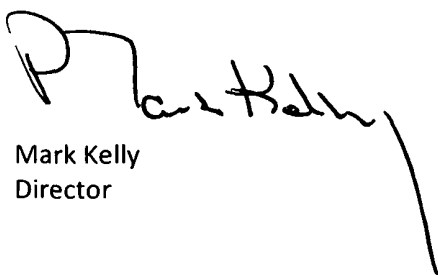
In the case of each director in office at the date the Directors' Report is approved:

- So far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- They have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Reappointment of Auditors

A resolution to appoint PricewaterhouseCoopers LLP as the Company's auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the Board on 30 June 2017 and signed on its behalf by:



Mark Kelly
Director

Independent auditors' report to the members of Eurocell Holdings Limited

Report on the financial statements

Our opinion

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

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

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

- the statement of financial position as at 31 December 2016;
- the income statement for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

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

Directors' remuneration

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

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities in respect of the financial statements, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

What an audit of financial statements involves

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

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

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Mark Skedgel (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
30 June 2017

Income Statement for the Year Ended 31 December 2016

		2016 £000	2015 £000
Administrative expenses		-	(2)
Operating profit / (loss)		<u>-</u>	<u>(2)</u>
Income from shares in Group undertakings	5	30,000	16,000
Finance income	6	419	-
Finance expense	7	(807)	(401)
Profit on ordinary activities before taxation		<u>29,612</u>	<u>15,597</u>
Income tax credit	8	67	199
Profit for the financial year		<u><u>29,679</u></u>	<u><u>15,796</u></u>

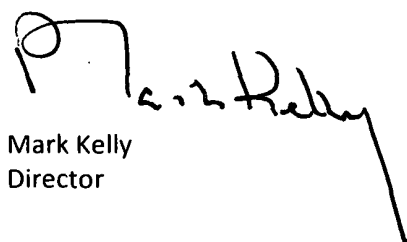
All amounts relate to continuing operations.

There is no other comprehensive income for the current or preceding year. The accompanying notes are an integral part of these financial statements.

Statement of Financial Position as at 31 December 2016

		2016 £000	2015 £000
Non-current assets			
Investments in subsidiaries	10	27,435	27,435
Current assets			
Trade and other receivables	11	37,793	7,303
Trade and other payables - current	12	(46,791)	(15,980)
Net current liabilities		<u>(8,998)</u>	<u>(8,677)</u>
Total assets less current liabilities		18,437	18,758
Net assets		<u>18,437</u>	<u>18,758</u>
 Capital and reserves			
Called up share capital	13	100	100
Share premium		17,739	17,739
Retained earnings		598	919
Total equity		<u>18,437</u>	<u>18,758</u>

The financial statements on pages 11 to 22 were approved and authorised for issue by the Board on 30 June 2017 and were signed on its behalf by:


Mark Kelly
Director

Statement of Changes in Equity for the Year Ended 31 December 2016

	Called up share capital £000	Share premium £000	Retained earnings £000	Total equity £000
At 1 January 2015	90	-	(4,877)	(4,787)
Profit for the financial year	-	-	15,796	15,796
Shares issued during the year	10	17,739	-	17,749
Dividend paid (note 9)	-	-	(10,000)	(10,000)
At 31 December 2015	<u>100</u>	<u>17,739</u>	<u>919</u>	<u>18,758</u>
Profit for the financial year	-	-	29,679	29,679
Dividends paid (note 9)	-	-	(30,000)	(30,000)
At 31 December 2016	<u><u>100</u></u>	<u><u>17,739</u></u>	<u><u>598</u></u>	<u><u>18,437</u></u>

Notes to the financial statements

1. Accounting policies

Corporate information

Eurocell Holdings Limited ("the Company") is a limited company incorporated and domiciled in England and Wales. The registered office is Fairbrook House, Clover Nook Road, Alfreton, Derbyshire, DE55 4RF. The Company is an intermediate holding company. The principal transactions going through this company are investment income received from subsidiaries, interest payable to Group companies and interest received from Group companies.

Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101), and the Companies Act 2006.

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

Management routinely plan future activities including forecasting future cash flows. Management have reviewed their plan with the Directors and have collectively formed a judgement that the Company has adequate resources to continue as a going concern for at least 12 months from the date of signing of these financial statements.

In arriving at this judgement the Directors have reviewed cash flow projections of the Company in light of the trading and financial uncertainties in the current economic climate and have considered existing commitments together with the financial resources available to the Company and its wider group.

The Directors have also received confirmation from its ultimate parent company, Eurocell plc, that it will continue to provide financial support as required to enable the Company to meet its obligations as and when they fall due and in any event for a period of at least 12 months from the date of signing the financial statements.

The Company's financial statements are presented in UK pounds sterling and are rounded to the nearest thousand pounds, except where otherwise stated.

The Company has taken advantage of the exemption from the requirement to prepare consolidated financial statements by virtue of Section 400 of the Companies Act 2006, as the Company is a wholly owned subsidiary. These financial statements therefore present information about the Company as an individual undertaking and not about its group.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less provision for impairment.

Notes to the financial statements (continued)

1. Accounting policies (continued)

Financial assets

The Company classifies all of its financial assets as loans and receivables and has not classified any of its financial assets as held to maturity.

Loans and receivable assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

The Company's loans and receivables comprise trade and other receivables and cash and cash equivalents in the statement of financial position.

Financial liabilities

The Company classifies its financial liabilities as other financial liabilities which include the following:

- Bank borrowings which are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the statement of financial position.
- Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the statement of financial position differs from its tax base, except for differences arising on:

- The initial recognition of goodwill;
- The initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting or taxable profit; and
- Investments in subsidiaries and jointly controlled entities where the Company is able to control the timing of the reversal of the difference and it is probable that the difference will not reverse in the foreseeable future.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Notes to the financial statements (continued)

1. Accounting policies (continued)

Deferred taxation (continued)

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 on the Company.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing difference can be deducted.

Share capital

The Company's ordinary shares are classified as equity instruments.

Dividends

Dividends are recognised when they become legally payable. In the case of all dividends to equity shareholders, this is when approved by the shareholders.

FRS 101 exemptions

The following exemptions from the requirements of IFRS have been applied in the preparation of the Company financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial instruments: disclosures'
- Paragraphs 45(b) and 46 to 52 of IFRS 2, 'Share-based payment' (detail of the number and weighted-average exercise prices of share options, and how the fair value of goods or services received was determined)
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
 - paragraph 79(a)(iv) of IAS 1;
 - paragraph 73(e) of IAS 16 'Property, plant and equipment'; and
 - paragraph 118(e) of IAS 38 'Intangible assets' (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
 - 10(d), (statement of cash flows);
 - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements);
 - 16 (statement of compliance with all IFRS);
 - 38A (requirement for minimum of two primary statements, including cash flow statements);
 - 38B-D (additional comparative information);
 - 40A-D (requirements for a third statement of financial position);
 - 111 (cash flow statement information); and
 - 134-136 (capital management disclosures)

Notes to the financial statements (continued)

1. Accounting policies (continued)

FRS 101 exemptions (continued)

- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)

The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.

2. Critical accounting estimates and judgements

The Company makes certain estimates and assumptions regarding the future. Estimates and judgements are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. There are no estimates and assumptions that are considered to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Auditors' remuneration

	2016	2015
	£000	£000
Audit of these financial statements	<u>2</u>	<u>2</u>

Audit fees are paid by Eurocell Group Limited, and are not recharged.

4. Staff costs and Directors' remuneration

The Company has no employees other than Directors, who did not receive any remuneration. The Directors were remunerated via Eurocell Group Limited, Eurocell Profiles Limited and Eurocell Building Plastics Limited which are subsidiary undertakings of Eurocell Holdings Limited.

5. Income from shares in Group undertakings

Dividend income was received from shares in Group undertakings as follows:

	2016	2015
	£000	£000
Eurocell Group Limited	<u>30,000</u>	<u>16,000</u>

6. Finance income

	2016	2015
	£000	£000
Interest on amounts owed by Group undertakings	<u>419</u>	<u>-</u>

Notes to the financial statements (continued)

7. Finance expense

	2016	2015
	£000	£000
Interest on amounts owed to Group undertakings	807	-
Amounts owed to related parties	-	377
Other loans	-	24
	<u>807</u>	<u>401</u>
Amounts owed to Group undertakings	<u>807</u>	<u>401</u>

8. Income tax credit

	2016	2015
	£000	£000
Current tax		
Current tax on profit for the year	(77)	(35)
Adjustment in respect of prior years	10	(164)
Total current tax	<u>(67)</u>	<u>(199)</u>

There is no deferred tax in the current or prior year.

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2016	2015
	£000	£000
Profit on ordinary activities before taxation	<u>29,612</u>	<u>15,597</u>
Expected tax charge based on the standard rate of United Kingdom corporation tax at the domestic rate of 20.00% (2015: 20.25%)	5,922	3,158
Dividend income	(6,000)	(3,240)
Expenses not deductible for tax purposes	-	47
Adjustment in respect of prior years	11	(164)
Total tax credit	<u>(67)</u>	<u>(199)</u>

The mainstream rate of corporation tax for the fiscal year ended 5 April 2016 was 20.00%.

The mainstream rate of UK corporation tax which took effect from April 2015 was 20.00%. This gives rise to an effective rate of 20.00% (2015: 20.25%) for the year. Further reductions to 19% from 1 April 2017 and 17% from 1 April 2020 have been substantively enacted.

UK temporary differences are measured at the rate at which they are expected to reverse.

Notes to the financial statements (continued)

9. Dividends paid

	2016	2015
	£000	£000
Eurocell plc (£300 per ordinary £1 share, 2015: £100)	<u>30,000</u>	<u>10,000</u>

10. Investments in subsidiaries

The following were subsidiary undertakings of the Company, all incorporated in England and Wales:

Name	Principal activity	Holding	
		2016	2015
Eurocell Group Limited	Holding company	100%	100%
*Eurocell Building Plastics Limited	Distribution of plastic building products	100%	100%
*Eurocell Profiles Limited	Manufacture of plastic window and building products	100%	100%
*Fairbrook Group Limited	Dormant	100%	100%
*Northampton Profiles Limited	Dormant	100%	100%
*Peninsula Plastics Limited	Dormant	100%	100%
*Sheet Plastic UK Limited	Dormant	100%	100%
*Fairbrook Limited	Dormant	100%	100%
*Fairbrook Holdings Limited	Dormant	100%	100%
*Reversible Systems Limited	Dormant	100%	100%
*Brunel Building Plastics Limited	Dormant	100%	100%
*Eurocell Window Systems Limited	Dormant	100%	100%
*Eurocell Plastics Limited	Dormant	100%	100%
*Cavalok Building Products Limited	Dormant	100%	100%
*Merritt Plastics Limited	Dormant	100%	100%
*Merritt Engineering Limited	Dormant	100%	100%
*Deeplas Limited	Dormant	100%	100%
*Deeplas Building Plastics Limited	Dormant	100%	100%
*Ampco 113 Limited	Dormant	100%	100%
*S. and S. Plastics Limited	Injection moulding	100%	100%
*Vista Panels Limited	Manufacture of pvc door panel and grp composite doors	100%	N/A

*These are indirectly held via other group companies.

The registered address for all companies is Fairbrook House, Clover Nook Road, Alfreton, Derbyshire, DE55 4RF.

Notes to the financial statements (continued)

10. Investments in subsidiaries (continued)

	Investments in subsidiary undertakings £000
Cost and net book value	
Balance at 1 January 2016 and 31 December 2016	27,435

11. Trade and other receivables

	2016 £000	2015 £000
Current:		
Amounts owed by Group undertakings	37,715	7,268
Other receivables	78	35
	<u>37,793</u>	<u>7,303</u>

In 2016, the amounts owed by Group undertakings are unsecured, repayable on demand and subject to interest charges which are at the market rate. The interest rate charged for the year-ended 31 December 2016 was 2.01%. The amounts owed by Group undertakings in 2015 was interest free.

The fair value of trade and other receivables classified as loans and receivables are not materially different from their carrying value.

12. Trade and other payables

	2016 £000	2015 £000
Current:		
Amounts owed to Group undertakings	46,791	15,928
Accruals	-	52
	<u>46,791</u>	<u>15,980</u>

The amounts owed to Group undertakings are unsecured, repayable on demand and subject to interest charges which are at the market rate at the start of the accounting period. The interest rate charged for the year ended 31 December 2016 was 2.01%. The amounts owed to Group undertakings in 2015 were interest free.

Book values approximate to fair values at 31 December 2016 and 31 December 2015.

Notes to the financial statements (continued)

13. Called up Share capital

	2015
	£000
100,000 (2015: 100,000) ordinary shares of £1 each	100

14. Related party transactions

The Company has taken advantage of the exemption within FRS101 not to disclose transactions and balance between itself and other wholly owned members of the Eurocell plc group.

On 11 March 2015, the Company's parent was listed on the London Stock Exchange. As part of that process the Group refinanced all of its borrowings. This refinancing resulted in the novation of the shareholder and management loan notes to the ultimate parent, Eurocell plc.

Prior to the IPO the shareholders held loan notes, with interest payable at 11%. During the year the amounts of interest charged in the income statement was as follows:

	2016	2015
	£000	£000
Cooperatief H2 Equity Partners Fund IV Holding WA	-	368
P Bateman	-	4
M K Edwards	-	2
G Parkinson	-	1
A Smith	-	1
I Kemp	-	1
	<u>-</u>	<u>377</u>

On 3 March 2015 at the IPO the loan notes and accrued interest were repaid in full as follows:

	2016	2015
	£000	£000
Cooperatief H2 Equity Partners Fund IV Holding WA	-	20,462
P Bateman	-	176
M K Edwards	-	106
G Parkinson	-	35
A Smith	-	35
I Kemp	-	35
	<u>-</u>	<u>20,849</u>

Notes to the financial statements (continued)

15. Contingent liabilities

The Company has guaranteed the borrowings of other companies in the Eurocell Group of Companies of £26,000,000 (2015: £25,700,000).

16. Ultimate parent undertaking and controlling party

The Company's immediate parent company and ultimate controlling party is Eurocell plc, a company which is registered in England and Wales.

Eurocell plc is listed on the London Stock Exchange.

The smallest and largest group for which the group financial statements are prepared is Eurocell plc. Consolidated financial statements are available from investors.eurocell.co.uk.