

Registered Number 08693650

**Project Aqua Bidco Limited**  
**Annual Report and Financial Statements**  
**for the year ended 3 December 2016**

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# Project Aqua Bidco Limited

## Annual Report and Financial Statements

### for the year ended 3 December 2016

## Contents

Directors and advisers for the year ended 3 December 2016 .....	1
Strategic report for the year ended 3 December 2016 .....	2
Directors' report for the year ended 3 December 2016 .....	3
Independent auditors' report to the members of Project Aqua Bidco Limited .....	6
Statement of comprehensive income for the year ended 3 December 2016 .....	9
Statement of financial position as at 3 December 2016 .....	10
Statement of changes in equity for the year ended 3 December 2016 .....	12
Statement of accounting policies for the year ended 3 December 2016 .....	13
Notes to the financial statements for the year ended 3 December 2016 .....	19

# Project Aqua Bidco Limited

## Directors and advisers for the year ended 3 December 2016

### **Directors**

A Henderson  
P Morris  
R Summers  
J T Hart  
J Naughton  
M Hutchinson  
J Latimer

### **Registered Office**

69 South Accommodation Road  
Leeds  
West Yorkshire  
LS10 1NQ

### **Independent auditors**

PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Central Square  
29 Wellington Street  
Leeds  
LS1 4DL

### **Solicitors**

Eversheds LLP  
Bridgewater Place  
Water Lane  
Leeds  
LS11 5DR

### **Bankers**

Investec Bank plc  
2 Gresham Street  
London  
EC2V 7QP

Bank of Scotland  
33 Old Broad Street  
London  
EC2N 1HZ

# Project Aqua Bidco Limited

## Strategic report for the year ended 3 December 2016

The Directors present their Strategic report and the audited financial statements of the Company for the year ended 3 December 2016.

### Principal Activities

The principal activity of the Company was that of an intermediary holding company.

### Review of Business

The results of the business for the year are as expected for a holding company. The Company has received and incurred interest on internal borrowings during the year.

### Key Performance Indicators ("KPIs")

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for the understanding of the development, performance or position of the business.

### Principal risk and uncertainties facing the Group

The Company is entirely dependent on the performance of the other companies within the Allied Glass Group (the "Group"). The principle risks are described within the financial statements of Project Aqua Topco Limited and Allied Glass Containers Limited which are publically available.

### Financial risk management

As an intermediary holding company the financial risk management of the Company is very much dependent on the financial risk management of Allied Glass Containers Limited and other Group companies, as disclosed within their respective financial statements. The main risks arising from the company's financial instruments can be analysed as follows:

#### *Liquidity risk*

The Company's policy is to ensure there are appropriate levels of funding through medium term bank loans and overdraft facilities.

#### *Cash flow interest rate risk*

Interest bearing assets comprise cash and bank deposits, all of which earn interest at a variable rate. Interest arising on the bank overdraft is at market rate. The Company's policy is to maintain the majority of other borrowings at fixed rates to fix the amount of future interest cash flows. In some instances rates are fixed by the use of financial swaps. The Directors monitor the overall level of borrowings and interest costs to limit any adverse effects on the financial performance of the Company.

### On behalf of the Board

  
A Henderson  
Director

27 April 2017

# Project Aqua Bidco Limited

## Directors' report for the year ended 3 December 2016

The Directors present their annual report and the audited financial statements of the Company for the year ended 3 December 2016.

### Future developments

The future developments of the Company are included within the Strategic report.

### Equity dividends

The Directors have neither declared nor paid a dividend in the current or prior year.

### Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered a number of factors in reaching their conclusion.

CBPE Capital LLP, who are the ultimate controlling party and parent undertaking, have confirmed their continued support to the Group. The Group refinanced its banking facilities on 24 February 2017, through entering into a committed six year £39m senior term facility and a £36m working capital facility, enabling it to repay its existing bank term loans. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Directors believe that it is appropriate to continue to adopt the going concern basis in preparing the Company financial statements.

### Directors

The Directors of the Company who were in office during the year and up to the date of signing the financial statements were as follows:

A Henderson  
J T Hart  
P Morris  
R Summers  
J Naughton  
M Hutchinson  
J Latimer

No Director had at any time during the year any material interest in a material contract with the Company.

# Project Aqua Bidco Limited

## **Directors' report for the year ended 3 December 2016 (continued)**

### **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 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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; 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.

# Project Aqua Bidco Limited

## Directors' report for the year ended 3 December 2016 (continued)

### Independent auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office, and a resolution that they be reappointed will be proposed at the annual general meeting.

The financial statements were approved by the board of directors on 27 April 2017 and were signed on its behalf by:



**A Henderson**  
**Director**

# **Project Aqua Bidco Limited**

## **Independent auditors' report to the members of Project Aqua Bidco Limited**

### **Report on the financial statements**

#### **Our opinion**

In our opinion Project Aqua Bidco financial statements (the "financial statements"):

- give a true and fair view of the state of the Company's affairs as at 3 December 2016 and of its loss 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 3 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include 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.

#### **Opinion on other matter prescribed by the Companies Act 2006**

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



# Project Aqua Bidco Limited

## Independent auditors' report to the members of Project Aqua Bidco Limited (continued)

### 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.

#### 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 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.

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.

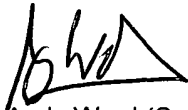
## Project Aqua Bidco Limited

### **Independent auditors' report to the members of Project Aqua Bidco Limited (continued)**

#### **What an audit of financial statements involves (continued)**

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.



Andy Ward (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Leeds

27 April 2017

## Project Aqua Bidco Limited

### Statement of comprehensive income for the year ended 3 December 2016

	Note	3 December 2016 £'000	5 December 2015 £'000
Revenue	1	1,077	1,066
Cost of sales		(979)	(969)
<b>Gross profit</b>		<b>98</b>	<b>97</b>
Administrative expenses		(96)	(82)
<b>Operating profit</b>	2	<b>2</b>	<b>15</b>
Finance income	3	9,754	8,739
Finance costs	3	(14,111)	(13,200)
<b>Loss before taxation</b>		<b>(4,355)</b>	<b>(4,446)</b>
Taxation	7	865	893
<b>Loss for the financial year</b>		<b>(3,490)</b>	<b>(3,553)</b>
Other comprehensive income		3,458	3,533
<b>Total comprehensive expense for the year</b>		<b>(32)</b>	<b>(20)</b>

The above results all relate to continuing activities.

There is no difference between the loss before taxation and loss for the financial year stated above and their historical cost equivalents.

The statement of accounting policies and notes on pages 13 to 33 form an integral part of these financial statements.

# Project Aqua Bidco Limited

## – Statement of financial position as at 3 December 2016

	Note	3 December 2016 £'000	5 December 2015 £'000
<b>Assets</b>			
<b>Non-current assets</b>			
Investments	8	63,821	63,821
Deferred tax asset	13	88	87
<b>Total non-current assets</b>		<b>63,909</b>	63,908
<b>Current assets</b>			
Trade and other receivables	9	91,725	82,291
<b>Total current assets</b>		<b>91,725</b>	82,291
<b>Total assets</b>		<b>155,634</b>	146,199
<b>Equity and liabilities</b>			
<b>Current liabilities</b>			
Trade and other payables	10	76,371	66,512
Borrowings	12	5,192	3,372
Derivative financial instruments	11	519	485
<b>Total current liabilities</b>		<b>82,082</b>	70,369
<b>Non-current liabilities</b>			
Trade and other payables	10	20,512	17,564
Borrowings	12	53,470	58,664
<b>Total non-current liabilities</b>		<b>73,982</b>	76,228
<b>Total liabilities</b>		<b>156,064</b>	146,597
<b>Equity</b>			
Called up share capital	14	-	-
Retained earnings		(430)	(398)
<b>Total equity</b>		<b>(430)</b>	(398)
<b>Total equity and liabilities</b>		<b>155,634</b>	146,199

## Project Aqua Bidco Limited

### **Statement of financial position as at 3 December 2016 (continued)**

The financial statements were approved by the board of directors on <sup>27</sup> April 2017 and were signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A Henderson', is written over a horizontal line.

**A Henderson**  
**Director**

The statement of accounting policies and notes on pages 13 to 33 form an integral part of these financial statements.

Registered number: 08693650

## Project Aqua Bidco Limited

### Statement of changes in equity for the year ended 3 December 2016

	Called up share capital £'000	Retained earnings £'000	Total Equity £'000
Balance at 7 December 2014	-	(378)	(378)
Loss for the financial year	-	(3,553)	(3,553)
Other comprehensive income:			
Payments received for group relief in excess of the prevailing tax rate for the year	-	3,533	3,533
<b>Balance at 5 December 2015</b>	<b>-</b>	<b>(398)</b>	<b>(398)</b>
Loss for the financial year	-	(3,490)	(3,490)
Other comprehensive income:			
Payments received for group relief in excess of the prevailing tax rate for the year	-	3,458	3,458
<b>Balance at 3 December 2016</b>	<b>-</b>	<b>(430)</b>	<b>(430)</b>

The statement of accounting policies and notes on pages 13 to 33 form an integral part of these financial statements.

## Project Aqua Bidco Limited

### **Statement of accounting policies for the year ended 3 December 2016**

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

#### **Basis of preparation**

The financial statements of Project Aqua Bidco Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006.

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

- The requirements of IFRS7 Financial instruments: Disclosures;
- The requirements within IAS1 relating to the presentation of certain comparative information;
- The requirement within IAS7 to present a cash flow statement;
- The requirements of IAS 24 to disclose transactions between two or more members of a group and key management compensation disclosure;
- The requirements of IFRS1, 'First-time adoption of International Financial Reporting Standards' to present a statement of financial position at the date of transition.

The preparation of financial statements in conformity with FRS101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. There are no areas of note involving a higher degree of judgement or complexity and areas where assumptions and estimates are significant.

## Project Aqua Bidco Limited

### Statement of accounting policies for the year ended 3 December 2016 (continued)

#### **New standards and amendments**

The following new standards and amendments to standards are mandatory for the first time for the financial period beginning 6 December 2015:

- Annual improvements 2012 (effective 1 February 2015)
- Annual improvements 2013 (effective 1 January 2015)

#### **New and amended standards not currently relevant to the Company**

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial period beginning 6 December 2015, but are not currently relevant to the Company:

- Amendment to IAS 19 regarding defined benefit plans (effective 1 February 2015)

#### **New and amended standards not effective for current financial period**

The following new standards and amendments have been issued but are not effective for the financial period beginning 6 December 2015 and have not been adopted early:

- IFRS 15 'Revenue from contracts with customers' (effective 1 January 2018)
- IFRS 9 'Financial instruments' (effective 1 January 2018)
- Amendments to IAS 16 'Property, plant and equipment' and IAS 41 'Agriculture' regarding bearer plants (effective 1 January 2016)
- IFRS 14 'Regulatory deferral accounts' (effective 1 January 2016)
- Amendment to IFRS 10 and IAS 28 on investment entities applying the consolidation exception (effective 1 January 2016)
- Amendment to IAS 16 'Property, plant and equipment' and IAS 38 'Intangible assets' on depreciation and amortisation (effective 1 January 2016)
- Amendments to IAS 27, 'Separate financial statements' on the equity method (effective 1 January 2016)
- Amendments to IFRS 10, 'Consolidated financial statements' and IAS 28 'Investment in associates and joint ventures' (effective 1 January 2016)
- Annual improvements 2014 (effective 1 January 2016)
- Amendment to IAS 1 'Presentation of financial statements' on the disclosure initiative (effective 1 January 2016)
- Amendment to IFRS 11 'Joint arrangements' on acquisition of an interest in a joint operation (effective 1 January 2016)



## Project Aqua Bidco Limited

### Statement of accounting policies for the year ended 3 December 2016 (continued)

#### **Consolidation**

The company is a wholly-owned subsidiary of Project Aqua Topco Limited. It is included in the consolidated financial statements of Project Aqua Topco Limited which are publicly available. Therefore the company is exempt by virtue of section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements.

These financial statements are separate financial statements.

#### **Revenue Recognition**

Revenue is the fair value of revenue arising from the recharge of management services. It is stated at the fair value of the consideration receivable, net of value added tax, rebates and discounts.

#### **Financial instruments**

The Company classifies its financial assets in the following categories: at fair value through profit or loss and loans and receivables. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

Regular purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss.

Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. Financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is intention to settle on a net basis, or realise the asset and settle the liability simultaneously.

#### **Fair value estimation**

Fair value estimation under IFRS 13 requires the Company to classify for disclosure purposes fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements on its financial assets. The fair value hierarchy has the following levels:-

- Level (1) quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level (2) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices)
- Level (3) inputs for the asset or liability that are not based on observable market data (unobservable inputs)

See note 11 for further details of the judgements and assumptions made.

# Project Aqua Bidco Limited

## Statement of accounting policies for the year ended 3 December 2016 (continued)

### Investments

Investments held by the parent company in subsidiary undertakings are carried at cost less impairments to write them down to their recoverable amount. Impairment to the carrying value of investments is made if there is an indication at the balance sheet date that the carrying value is not recoverable.

### Trade receivables

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for impairment of trade receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the income statement within administrative costs. When a trade receivable is uncollectable it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited against administrative costs in the income statement.

### Cash and cash equivalents

Cash, and cash equivalents, includes cash in hand, deposits held at call with banks, other highly liquid investments and bank overdrafts. The Company has right of set-off across its various accounts and the positions with banks are therefore shown net.

### Trade payables

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

### Pensions

The Company operates a defined contribution pension scheme on a contractual or voluntary basis. The assets of the scheme are invested and managed independently of the finances of the Company. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due.

## Statement of accounting policies for the year ended 3 December 2016 (continued)

### Current and deferred taxation

The current tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries operate and generate taxable income.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company's subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting, nor taxable profit or loss. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

### Foreign currencies

#### a) *Functional and presentation currency*

Items included in the financial statement of the Company are measured and presented in pounds sterling, which is the Company's functional and presentation currency.

#### b) *Transactions and balances*

Transactions denominated in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the income statement.

## Project Aqua Bidco Limited

### Statement of accounting policies for the year ended 3 December 2016 (continued)

#### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost: any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

Gross debt is stated net of the unamortised portion of the related debt issue costs. The debt issue costs, together with the related interest expense, are allocated to the income statement over the term of the loans at a constant rate on the carrying amount.

#### **Share Capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction net of tax from the proceeds.

Dividend distribution to the parent company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the parent company's shareholders. Where any group company purchases the company's equity share capital (treasury shares), the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the company's equity holders.

# Project Aqua Bidco Limited

## Notes to the financial statements for the year ended 3 December 2016

### 1 Revenue

All revenue is derived from the same class of business and originates from the UK.

### 2 Operating profit

Fees payable of £3,000 (2015: £3,000) to the Company's auditor were borne by Allied Glass Containers Limited, a group company.

### 3 Finance income and costs

	3 December 2016 £'000	5 December 2015 £'000
<b>Finance income</b>		
Interest receivable on intercompany loans	9,754	8,739
<b>Total finance income</b>	<b>9,754</b>	<b>8,739</b>
<b>Finance costs</b>		
Interest payable on bank loans	3,622	3,755
Interest payable on bank overdrafts	158	183
Fair value movement on interest rate swaps	34	13
Interest and charges on intercompany loans	9,541	8,548
Amortisation of loan issue costs	756	701
<b>Total finance costs</b>	<b>14,111</b>	<b>13,200</b>
<b>Net finance costs</b>	<b>(4,357)</b>	<b>(4,461)</b>

### 4 Employee information

Average monthly number of persons employed by the Company (including Directors) during the year analysed by category was as follows:

By activity	3 December 2016 No	5 December 2015 No
Administration	7	7

The number of employees as at 3 December 2016 was 7 (5 December 2015 - 7).

## Project Aqua Bidco Limited

### Notes to the financial statements for the year ended 3 December 2016 (continued)

#### 5 Employee benefit expense

The aggregate payroll costs of these persons were as follows:

	<b>3 December 2016</b>	<b>5 December 2015</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	<b>826</b>	819
Social security costs	<b>106</b>	105
Other pension costs	<b>46</b>	45
Employee benefit expenses included in operating profit	<b>978</b>	969

#### 6 Directors emoluments

	<b>3 December 2016</b>	<b>5 December 2015</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate Emoluments	<b>662</b>	663
Company pension contributions to money purchase scheme	<b>39</b>	39
	<b>701</b>	702

The emoluments of the highest paid Director for the year were £153,000 (2015: £153,000) and pension contributions of £11,000 (2015: £11,000).

	<b>3 December 2016</b>	<b>5 December 2015</b>
	<b>No</b>	<b>No</b>
Retirement benefits accruing to the following number of Directors in the defined contribution scheme	<b>4</b>	4

## Notes to the financial statements for the year ended 3 December 2016 (continued)

### 7 Taxation

The tax assessed for the year is higher than (2015: higher) the effective rate of corporation tax in the UK (20%)

	3 December 2016 £'000	5 December 2015 £'000
<b>Current tax</b>		
UK corporation tax at 20% (2015: 20.32%)	(864)	(900)
<b>Total current tax</b>	<b>(864)</b>	<b>(900)</b>
<b>Deferred tax</b>		
Origination of timing differences	(1)	7
<b>Total deferred tax</b>	<b>(1)</b>	<b>7</b>
<b>Tax credit</b>	<b>(865)</b>	<b>(893)</b>

	3 December 2016 £'000	5 December 2015 £'000
Loss before taxation	(4,355)	(4,446)
Loss multiplied by the effective rate of corporation tax in the UK of 20% (2015: 20.32%)	(871)	(903)
Effects of:		
Tax rate changes	6	10
<b>Tax credit</b>	<b>(865)</b>	<b>(893)</b>

# Project Aqua Bidco Limited

## Notes to the financial statements for the year ended 3 December 2016 (continued)

### 8 Investments

	Shares in subsidiary undertakings £'000
<b>Cost</b>	
At 3 December 2016 and at 5 December 2015	<b>63,821</b>

The carrying value of the investment is supported by the underlying net asset position of Allied Glass Group and its subsidiaries.

<b>Subsidiaries</b>	<b>Interest in ordinary share and voting rights</b>	<b>Direct / Indirect holding</b>	<b>Country of registration</b>	<b>Principal activity</b>
Allied Glass Group Limited	100%	Direct	England and Wales	Holding Company
Project Magnum (Bidco) Limited	100%	Indirect	England and Wales	Holding Company
Allied Glass Holdings Limited	100%	Indirect	England and Wales	Dormant
Allied Glass Containers Limited	100%	Indirect	England and Wales	Glassware
Lax & Shaw Limited	100%	Indirect	England and Wales	Dormant
Gregg & Company (Knottingley) Limited	100%	Indirect	England and Wales	Dormant

The registered office of all the subsidiary undertakings above is 69, South Accommodation Road, Leeds, West Yorkshire, LS10 1NQ



# Project Aqua Bidco Limited

## Notes to the financial statements for the year ended 3 December 2016 (continued)

### 9 Trade and other receivables

	3 December 2016 £'000	5 December 2015 £'000
Amounts owed by group undertakings	91,691	81,937
Other receivables	34	354
	<b>91,725</b>	<b>82,291</b>

Included within amounts owed by group undertakings are £91,536,711 (2015:£81,783,000) unsecured loans repayable on demand which carry a 12% interest charge.

### 10 Trade and other payables

	3 December 2016 £'000	5 December 2015 £'000
Social security and other taxes	36	35
Accruals	55	209
Amounts owed to group undertakings	96,792	83,832
	<b>96,883</b>	<b>84,076</b>
Less non-current portion: amounts owed to group undertakings	(20,512)	(17,564)
	<b>76,371</b>	<b>66,512</b>

Amounts owed to group undertakings include a loan of £89,539k (2015:£79,998k) bearing interest at 12% per annum. All amounts are repayable on demand, and carry no security.

# Project Aqua Bidco Limited

## Notes to the financial statements for the year ended 3 December 2016 (continued)

### 11 Financial instruments

#### Carrying value and fair values of financial instruments

The carrying values of the Company's financial instruments (together with non-financial instruments for reconciling purposes) are analysed as follows:

	3 December 2016			5 December 2015	
	Financial instruments			Total	Total
	Derivative	Non- derivative	Non-financial instruments		
	£'000	£'000	£'000	£'000	£'000
<b>Assets</b>					
Other non-current assets	-	-	63,821	63,821	63,821
Trade and other receivables					
Trade receivables and similar items	-	91,691	-	91,691	82,086
Other non-derivative assets	-	-	34	34	205
Deferred tax asset	-	-	88	88	87
	-	91,691	63,943	155,634	146,199
<b>Liabilities</b>					
Borrowings					
Current	-	5,192	-	5,192	3,372
Non-current	-	53,470	-	53,470	58,664
Other financial liabilities					
Interest rate swaps	519	-	-	519	485
Trade and other payables					
Other non-derivative financial liabilities	-	96,883	-	96,883	84,076
	519	155,545	-	156,064	146,597
<b>Net (liabilities)/assets</b>	<b>(519)</b>	<b>(63,854)</b>	<b>63,943</b>	<b>(430)</b>	<b>(398)</b>

# Project Aqua Bidco Limited

## Notes to the financial statements for the year ended 3 December 2016 (continued)

### 11 Financial instruments (continued)

The fair value of a financial instrument is the price at which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. Fair values have been determined with reference to available market information at the balance sheet date, using the methodologies set out below.

- Fair values of trade receivables, payables and cash are assumed to approximate to cost due to the short term maturity of the instruments.
- Market values have been used to determine fair values of hedge instruments.
- Amounts denominated in foreign currencies are valued at the exchange rate prevailing at the balance sheet date.

Fair values equate to book values for all of the Company's financial instruments. The carrying values of financial assets and liabilities by category, as defined by *IAS 39 Financial Instruments, Recognition and Measurement*, are as follows:

	<b>3 December 2016 £'000</b>	<b>5 December 2015 £'000</b>
<b>Assets</b>		
Loans and receivables	<b>91,691</b>	82,086
<b>Liabilities</b>		
Derivatives at fair value through profit and loss	<b>(519)</b>	(485)
Financial liabilities at amortised cost	<b>(155,545)</b>	(146,112)
	<b>(64,373)</b>	(64,511)

Under IFRS7 "Financial Instruments Disclosures" all derivative financial instruments are classed as level 2 as they are not traded in an active market and the fair value is determined through discounting future cash flows.

#### **Risk management policies and hedging activities**

The principal financial risk to which the company is exposed is interest rate risk

##### *Interest rate risk*

The Company's interest rate risk is in relation to its floating rate borrowings (cash flow risk). Interest rate derivatives are used to manage the overall interest rate profile within the Company policy, which is to maintain a higher proportion of net debt at fixed rate of interest having regard to the prevailing interest rate outlook. For accounting purposes, these derivative contracts are not designated at hedging instruments.

## Project Aqua Bidco Limited

### Notes to the financial statements for the year ended 3 December 2016 (continued)

#### 12 Borrowings

	Company	
	3 December 2016 £'000	5 December 2015 £'000
<b>Current</b>		
Bank term loans	5,192	3,372
	<b>5,192</b>	<b>3,372</b>
<b>Non-current</b>		
Bank term loans	53,470	58,664
	<b>53,470</b>	<b>58,664</b>

The Company was a guarantor to the Group's £70m senior terms facility entered into on 8 November 2013.

The bank term loans and revolving credit facility are secured by fixed and floating charges over the assets of a number of group companies, are subject to a number of undertakings and incorporate financial covenants.

The bank term loans are repayable in a combination of quarterly instalments ending on 31 August 2019 and lump sum amounts ending on 8 November 2020 carrying interest at rates varying between 3% and 5%.

On 24 February 2017 the group repaid in full the existing bank term loans and revolving credit facility and entered into a £39m term loan and £36m working capital facility. The Company is a guarantor to this facility.

The £39m term loan is repayable in quarterly instalments ending 31 March 2023, and carries an interest rate of 4.75%. The £36m working capital facility expires 24 April 2023 carrying interest rates between 3.25% and 3.5%.

The carrying amounts of the Company's borrowings are all denominated in sterling.

The fair value of current borrowings equals their carrying amount, as the impact of discounting is not significant.

# Project Aqua Bidco Limited

## Notes to the financial statements for the year ended 3 December 2016 (continued)

### 13 Deferred tax asset

	£'000
At 6 December 2015	87
Credited to the income statement (note 7)	1
<b>At 3 December 2016</b>	<b>88</b>

	<b>3 December 2016 £'000</b>	<b>5 December 2015 £'000</b>
Other short term timing differences	<b>88</b>	87
<b>Total deferred tax asset</b>	<b>88</b>	87

### 14 Called up share capital

	<b>2016 £</b>	<b>2015 £</b>
<b>Authorised</b>		
1 Ordinary share of £1 each	<b>1</b>	1
<b>Allotted and fully paid</b>		
1 Ordinary share of £1 each	<b>1</b>	1

## **Project Aqua Bidco Limited**

### **Notes to the financial statements for the year ended 3 December 2016 (continued)**

#### **15 Retirement benefit obligations**

The Company operates a defined contribution scheme for its employees. Contributions are charged to the Statement of Comprehensive Income as they are incurred.

The total contributions payable by the company for the year was £46k (2015: £45k).

#### **16 Related parties**

##### **a) Transactions with subsidiaries**

The Company is exempt from disclosing transactions with it and other group companies.

##### **b) Transactions with parent companies**

The Directors consider CBPE Capital LLP to be the ultimate controlling party and parent undertaking.

Management fees were paid to CBPE Capital LLP during the year of £64,774 (2015: £58,475) in relation to management services provided along with associated travel expenses.

The immediate and ultimate holding company is Project Aqua Topco Limited, which is incorporated in Great Britain and registered in England and Wales.

Project Aqua Topco Limited is the parent undertaking of the largest and smallest Company of undertakings to consolidate these financial statements at 3 December 2016. The consolidated financial statements of Project Aqua Topco Limited are available from Companies House.

# Project Aqua Bidco Limited

## Notes to the financial statements for the year ended 3 December 2016 (continued)

### 17 Explanation of transition to FRS101

This is the first year in respect of which the Company has prepared its financial statements under FRS101. The previous financial statements for the year ended 5 December 2015 were prepared under 'UK GAAP'.

The accounting policies set out on pages 13 to 18 have been applied in preparing the financial statements for the year ended 5 December 2015 and year ended 3 December 2016, and in the preparation of an opening FRS101 balance sheet as at 7 December 2014 (the Company's date of transition).

In preparing its opening FRS101 balance sheet, the Group has adjusted the amounts reported previously in financial statements prepared under UK GAAP. An explanation of how the transition from 'UK GAAP' to FRS101 has affected the Company's statement of financial position and statement of comprehensive income is set out in the following tables and notes that accompany the tables.

#### a) Initial elections upon adoption

Under IFRS 1, a number of exemptions are permitted to be taken in preparing the balance sheet as at the date of transition to FRS101 on 7 December 2014. The Company has elected to apply the exemption for fair value as deemed cost and has therefore not measured certain items at fair value at the date of transition.

#### b) Reconciliation of 'old UK GAAP' to FRS101

IFRS 1 requires the Company to reconcile comprehensive income for prior periods. The Company's first-time adoption did not have an impact on the total operating, investing or financing cash flows. The following tables represent the reconciliations from UK GAAP to FRS101 for the respective periods noted for equity, earnings and comprehensive income.

#### Statement of financial position at 7 December 2014 (transition date)

The Company's date of transition to FRS101 is 7 December 2014. The following table represents the reconciliations from UK GAAP to FRS101 as at this date.

# Project Aqua Bidco Limited

## Notes to the financial statements for the year ended 3 December 2016 (continued)

### Statement of financial position at 7 December 2014

	'UK GAAP'	Financial derivatives	Tax	FRS101
	£'000	£'000	£'000	£'000
<b>Assets</b>				
<b>Non-current assets</b>				
Investments	63,821	-	-	<b>63,821</b>
Deferred tax asset	-	-	94	<b>94</b>
<b>Total non-current assets</b>	<b>63,821</b>	<b>-</b>	<b>94</b>	<b>63,915</b>
<b>Current assets</b>				
Trade and other receivables	73,987	-	-	<b>73,987</b>
<b>Total current assets</b>	<b>73,987</b>	<b>-</b>	<b>-</b>	<b>73,987</b>
<b>Total assets</b>	<b>137,808</b>	<b>-</b>	<b>94</b>	<b>137,902</b>
<b>Equity and liabilities</b>				
<b>Current liabilities</b>				
Trade and other payables	58,717	-	-	<b>58,717</b>
Borrowings	335	-	-	<b>335</b>
Derivative financial instruments	-	472	-	<b>472</b>
<b>Total current liabilities</b>	<b>59,052</b>	<b>472</b>	<b>-</b>	<b>59,524</b>
<b>Non-current liabilities</b>				
Trade and other payables	16,219	-	-	<b>16,219</b>
Borrowings	62,537	-	-	<b>62,537</b>
<b>Total non-current liabilities</b>	<b>78,756</b>	<b>-</b>	<b>-</b>	<b>78,756</b>
<b>Total liabilities</b>	<b>137,808</b>	<b>472</b>	<b>-</b>	<b>138,280</b>
<b>Equity</b>				
Called up share capital	-	-	-	-
Retained earnings	-	(472)	94	<b>(378)</b>
<b>Total equity</b>	<b>-</b>	<b>(472)</b>	<b>94</b>	<b>(378)</b>
<b>Total equity and liabilities</b>	<b>137,808</b>	<b>-</b>	<b>94</b>	<b>137,902</b>



# Project Aqua Bidco Limited

## Notes to the financial statements for the year ended 3 December 2016 (continued)

### Statement of comprehensive income for the year ended 5 December 2015

	'UK GAAP'	Financial derivatives	Tax	FRS101
	£'000	£'000	£'000	£'000
Revenue	1,066	-	-	<b>1,066</b>
Cost of sales	(969)	-	-	<b>(969)</b>
<b>Gross profit</b>	<b>97</b>	<b>-</b>	<b>-</b>	<b>97</b>
Administrative expenses	(82)	-	-	<b>(82)</b>
<b>Operating profit</b>	<b>15</b>	<b>-</b>	<b>-</b>	<b>15</b>
Finance income	8,739	-	-	<b>8,739</b>
Finance costs	(13,187)	(13)	-	<b>(13,200)</b>
<b>Loss before taxation</b>	<b>(4,433)</b>	<b>(13)</b>	<b>-</b>	<b>(4,446)</b>
Taxation	4,433	-	(3,540)	<b>893</b>
<b>Result/(loss) for the financial year</b>	<b>-</b>	<b>(13)</b>	<b>(3,540)</b>	<b>(3,553)</b>
Other comprehensive income	-	-	3,533	<b>3,533</b>
<b>Total comprehensive expense for the year</b>	<b>-</b>	<b>(13)</b>	<b>(7)</b>	<b>(20)</b>

# Project Aqua Bidco Limited

## Notes to the financial statements for the year ended 3 December 2016 (continued)

### Statement of financial position at 5 December 2015

	'UK GAAP'	Transition	Financial	Tax	FRS101
	£'000	adjustments £'000	derivatives £'000	£'000	£'000
<b>Assets</b>					
<b>Non-current assets</b>					
Investments	63,821	-	-	-	63,821
Deferred tax asset	-	94	-	(7)	87
<b>Total non-current assets</b>	63,821	94	-	(7)	63,908
<b>Current assets</b>					
Trade and other receivables	82,291	-	-	-	82,291
<b>Total current assets</b>	82,291	-	-	-	82,291
<b>Total assets</b>	146,112	94	-	(7)	146,199
<b>Equity and liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	66,512	-	-	-	66,512
Borrowings	3,372	-	-	-	3,372
Derivative financial instruments	-	472	13	-	485
<b>Total current liabilities</b>	69,884	472	13	-	70,369
<b>Non-current liabilities</b>					
Trade and other payables	17,564	-	-	-	17,564
Borrowings	58,664	-	-	-	58,664
<b>Total non-current liabilities</b>	76,228	-	-	-	76,228
<b>Total liabilities</b>	146,112	472	13	-	146,597
<b>Equity</b>					
Called up share capital	-	-	-	-	-
Retained earnings	-	(378)	(13)	(7)	(398)
<b>Total equity</b>	-	(378)	(13)	(7)	(398)
<b>Total equity and liabilities</b>	146,112	94	-	(7)	146,199

## **Project Aqua Bidco Limited**

### **Notes to the financial statements for the year ended 3 December 2016 (continued)**

#### **Adjustments**

##### **Derivative financial instruments (IAS 32 & IAS 39)**

The Company's derivative financial instruments comprise interest rate swaps. Under UK GAAP derivatives are not recognised on the balance sheet where FRS26 is not voluntarily applied. The adoption of IAS 32 has resulted in the recognition of the derivatives at fair value in the balance sheet of the Company. The directors have concluded that this does not qualify as an effective hedge and therefore hedge accounting has not been applied. This has resulted in an increase of £472k to finance costs and a corresponding decrease in comprehensive income.

##### **Tax**

As a result of the adjustment above there is a corresponding adjustment to deferred tax resulting in the recognition of a £94k asset.

Under FRS101 payments received for group relief in excess of the prevailing tax rate for the period are required to be shown within equity and are therefore reclassified to other comprehensive income.