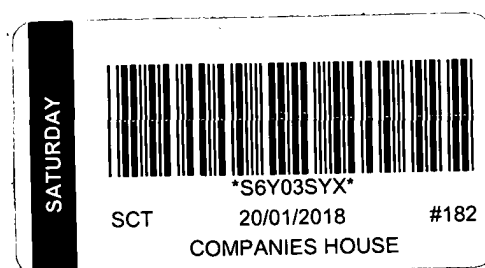


Egger (Ayrshire) Limited
Annual report and financial statements
for the year ended 30 April 2017



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for the year ended 30 April 2017
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Egger (Ayrshire) Limited

Directors' report for the year ended 30 April 2017

The directors present their report and the audited financial statements of the company for the year ended 30 April 2017.

Principal activities

The principal activity of the company is the holding of land.

Business review

The trading results for the year and the company's financial position at the end of the year are shown on pages 6 and 7 respectively.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Proposed dividend

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

Directors

The directors who were in office during the year and up to the date of signing the financial statements were:

M R Livesey

B Steinlechner

Political and charitable contributions

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

Financial instruments

The company has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the company. The company does not use derivative financial instruments to manage interest rate costs and as such, no hedge accounting is applied.

The Egger Group Treasury department has implemented a policy and procedure manual which sets out specific guidelines to manage financial risks.

Credit risk

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. Credit checks are carried out on customers where information about the customers' financial position is obtained from various credit rating companies. Credit risk is further limited through credit insurance on major accounts receivable balances. The amount of exposure to any individual counterparty is subject to a limit, which is reassessed on a continual basis by the credit manager.

Liquidity risk and cash management

The company meets its day to day working capital requirements through operating cash flows and funding from group companies, which includes a long term facility. The company is part of a cash pooling arrangement with the group headed by Egger Holzwerkstoffe GmbH.

Egger (Ayrshire) Limited

Directors' report for the year ended 30 April 2017 (continued)

Financial instruments (continued)

Interest rate and cash flow risk

The company has policies and procedures that set out the specific guidelines that must be followed to manage the interest rate risk. The exposure to interest rate risk is minimal as this is monitored by a central group treasury function, which is responsible for identifying and managing interest rate exposure.

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 the financial statements, the directors are required to:

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

Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each

Egger (Ayrshire) Limited

Directors' report for the year ended 30 April 2017 (continued)

director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Qualifying third-party indemnity provisions

The Company purchased and maintained throughout the financial year and also at the date of approval Directors' and Officers' liability insurance in respect of itself and its Directors.

Independent Auditors

Pursuant to Section 487 of the Companies Act 2006, the auditors will be deemed to be reappointed and PricewaterhouseCoopers LLP will therefore continue in office.

On behalf of the board



B Steinlechner
Director

31 August 2017

Egger (Ayrshire) Limited

Independent auditors' report to the members of Egger (Ayrshire) Limited

Report on the financial statements

Our opinion

In our opinion, Egger (Ayrshire) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 30 April 2017 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 Directors' report and financial statements (the "Annual Report"), comprise:

- the Balance sheet as at 30 April 2017;
- the Statement of comprehensive income for the year then ended;
- the Statement of changes in equity for the year then ended;
- the Statement of accounting policies for the year ended; 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 Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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.

Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

Egger (Ayrshire) Limited

Independent auditors' report to the members of Egger (Ayrshire) Limited (continued)

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 2, 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.



Bill MacLeod (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Newcastle upon Tyne
31 August 2017

Egger (Ayrshire) Limited

Statement of comprehensive income for the year ended 30 April 2017

		2017	2016
	Note	£'000	£'000
Turnover	1	26	26
Administrative expenses		(1)	(5)
Profit before taxation	2	25	21
Tax on profit	4	1	(1)
Profit for the financial year		26	20

All amounts relate to continuing operations.

The company has no other comprehensive income and therefore no separate statement of comprehensive income has been presented.

Egger (Ayrshire) Limited

Balance sheet as at 30 April 2017

	Note	2017 £'000	2016 £'000
Fixed assets			
Tangible assets	5	511	511
Current assets			
Debtors	6	371	368
Creditors: amounts falling due within one year	7	(443)	(466)
Net current liabilities		(72)	(98)
Total assets less current liabilities		439	413
Net assets		439	413
Capital and reserves			
Called up share capital	8	100	100
Profit and loss account		339	313
Total shareholders' funds		439	413

The financial statements on pages 6 to 16 were approved by the board of directors on 31 August 2017 and signed on its behalf by:



B Steinlechner
Director

Egger (Ayrshire) Limited

Registered number SC171807

Egger (Ayrshire) Limited

Statement of changes in equity for the year ended 30 April 2017

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 May 2015	100	293	393
Total comprehensive income for the year, comprising:			
Profit for the financial year	-	20	20
Total comprehensive income for the year	-	20	20
Balance at 30 April 2016	100	313	413

	Called up share capital £'000	Profit and loss account £'000	Total shareholders' funds £'000
At 1 May 2016	100	313	413
Total comprehensive income for the year, comprising:			
Profit for the financial year	-	26	26
Total comprehensive income for the year	-	26	26
Balance at 30 April 2017	100	339	439

Egger (Ayrshire) Limited

Statement of accounting policies for the year ended 30 April 2017

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

General information

The principal activity of the company is the holding of land.

The company is a private company limited by shares incorporated and domiciled in the United Kingdom. Its registered address is Brechin Tindal Oatts, 48 St Vincent Street, Glasgow, Lanarkshire, G2 5HS, Scotland.

Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standard 101 "Reduced Disclosure Framework" ("FRS101") and the Companies Act 2006.

The accounting policies set out below have been consistently applied to all the years presented unless otherwise stated. They have been prepared under the historical cost convention, and on a going concern basis.

The preparation of financial statements in conformity with FRS 101 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. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed within this statement.

Exemptions

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

- IFRS 7, 'Financial Instruments: Disclosures'
- 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:
 - (i) paragraph 79(a)(iv) of IAS 1;
- Paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- 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

Egger (Ayrshire) Limited

Statement of accounting policies for the year ended 30 April 2017 (continued)

Exemptions (continued)

FRS 101 sets out a reduced disclosure framework for a “qualifying entity” as defined in the standard which permits a qualifying entity to apply the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU (“Adopted IFRS 5”), but makes amendments where necessary in order to comply with the Companies Act 2006.

The company is a qualifying entity for the purpose of FRS 101 and note 10 gives details of the company’s ultimate parent and from where its consolidated financial statements, prepared in accordance with IFRS, may be obtained.

Going concern

The company is a subsidiary undertaking of Egger (UK) Holdings Limited whose group meets its day to day working capital requirements through funding provided by the ultimate parent company and the group of which it is part. The company does not have any external debt and all cash flows are funded by group companies. In addition, the company has received assurances from Egger (UK) Holdings Limited that amounts owed to group undertakings, falling due within one year, will not be called for repayment during the twelve months following the date of approval of these financial statements, or thereafter for the foreseeable future, until such time that the company can reasonably afford to do so.

Notwithstanding net current liabilities at the balance sheet date of £72,000 (2016: £98,000), after making enquiries, the directors have a reasonable expectation that the company can continue in operational existence for the foreseeable future. Accordingly, they continue to prepare the financial statements on a going concern basis.

Tangible assets and depreciation

No depreciation is provided on freehold land.

Government grants

Capital based government grants in relation to freehold land have been deducted from the cost of the asset. This is not in accordance with applicable accounting standards under which assets should be stated at their purchase price or production cost and the capital grant treated as deferred income and released to the profit and loss account over the useful life of the corresponding asset.

The directors are of the opinion that, as the land is not held for consumption but for investment and is not being depreciated the treatment otherwise required by applicable accounting standards would not present a true and fair view of the company’s effective investment in freehold land. The accounting policy adopted is therefore necessary for the financial statements to give a true and fair view.

Egger (Ayrshire) Limited

Statement of accounting policies for the year ended 30 April 2017 (continued)

Taxation

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

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by IAS 12.

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

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

(a) Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

(b) Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

(c) Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Derivative financial instruments

Derivative financial instruments are recognised at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

Egger (Ayrshire) Limited

Statement of accounting policies for the year ended 30 April 2017 (continued)

Classification of financial instruments issued by the company

Financial instruments issued by the company are treated as equity (i.e. forming part of shareholders' funds) only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

Finance payments associated with financial liabilities are dealt with as part of interest payable and similar charges. Finance payments associated with financial instruments that are classified as part of shareholders' funds (see dividends policy), are dealt with as appropriations in the reconciliation of movements in shareholders' funds.

Turnover

Turnover represents rent receivable in respect of the financial year, exclusive of value added tax.

Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Management do not consider there to be any critical judgments or estimates which have a significant impact on the financial statements of the company.

Egger (Ayrshire) Limited

Notes to the financial statements for the year ended 30 April 2017

1 Turnover

The turnover is attributable to the principal activity of the company and arises entirely in the United Kingdom.

2 Profit before taxation

Profit before taxation is stated after charging:

	2017	2016
	£'000	£'000
Auditors' remuneration		
Audit of these financial statements	-	-

Auditors' fees are borne by fellow subsidiary entities.

3 Remuneration of directors

None of the directors received any remuneration from the company during the current or preceding financial year. No allocation of the directors' emoluments has been made as the directors provide minimal services to the company. The directors were the only employees.

Egger (Ayrshire) Limited

Notes to the financial statements for the year ended 30 April 2017 (continued)

4 Tax on profit

Tax income / (expense) included in the profit

	2017 £'000	2016 £'000
Current tax:		
UK Corporation tax on profits for the year	-	1
Adjustment in respect of prior periods	(1)	-
Total current tax	(1)	1
Deferred tax:		
Origination and reversal of timing differences	-	-
Impact of change in tax rate	-	-
Total deferred tax	-	-
Total tax on profit	(1)	1

The tax (credit) / charge assessed for the year is lower (2016: lower) than the effective rate of corporation tax in the UK of 19.92% (2016: 20.00%). The differences are explained below:

	2017 £'000	2016 £'000
Profit before taxation	25	21
Profit multiplied by the standard rate of tax in the UK of 19.92% (2016: 20.00%)	5	4
Effects of:		
Adjustment to tax in respect of previous periods – current tax	(1)	-
Group relief claimed	(5)	(3)
Total (credit) / charge	(1)	1

The tax rate for the current year is lower than the prior year due to changes in the UK Corporation tax rate which decreased from 20.00% to 19.00% from 1 April 2017.

Egger (Ayrshire) Limited

Notes to the financial statements for the year ended 30 April 2017 (continued)

5 Tangible assets

	Freehold land £'000
Cost and net book value	
At beginning and end of year	511

Freehold land is stated net of capital grants of £381,000 (2016: £381,000) which have been deducted from the cost of freehold land on the basis that this asset has an infinite life and the accounting treatment adopted is required so as to present a true and fair view of the company's investment in freehold land.

6 Debtors

	2017 £'000	2016 £'000
Amounts owed by group undertakings	371	368

7 Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Amounts owed to group undertakings	424	445
Corporation tax	(1)	1
Other creditors	20	20
	443	466

Egger (Ayrshire) Limited

Notes to the financial statements for the year ended 30 April 2017 (continued)

8 Called up share capital

	2017	2016
	£'000	£'000
Allotted, called up and fully paid		
100,000 (2016: 100,000) ordinary shares of £1 each	100	100

9 Related party disclosures

The company is controlled by Egger (UK) Holdings Limited, its immediate parent undertaking. The ultimate controlling party is Egger Holzwerkstoffe GmbH, the ultimate parent company.

During the year the Company entered into transactions, in the ordinary course of business, with other related parties. The company has taken advantage of the exemption under paragraph 8(k) of FRS101 not to disclose transactions with fellow subsidiaries under common ownership.

10 Ultimate parent undertaking

The company is a subsidiary undertaking of Egger (UK) Holdings Limited, incorporated in England and Wales. The ultimate parent company is Egger Holzwerkstoffe GmbH, incorporated in Austria.

The only group in which the results of the company are consolidated is that headed by Egger Holzwerkstoffe GmbH, incorporated in Austria. The consolidated financial statements of this group are available to the public and may be obtained from Landesgericht Innsbruck, Maximilianstrasse 4, 6020 Innsbruck, Austria.