

Alsecco (U.K.) Limited

REPORT AND FINANCIAL STATEMENTS

31 December 2017



Company Registration No. 03002864

Alsecco (U.K.) Limited

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Alsecco (U.K.) Limited

COMPANY INFORMATION

DIRECTORS

BJ Parry
M Wendler

REGISTERED OFFICE

Whitebridge Way
Stone
Staffordshire
ST15 8GH

AUDITOR

RSM UK Audit LLP
Chartered Accountants
Festival Way
Stoke-on-Trent
Staffordshire
ST1 5BB

Alsecco (U.K.) Limited

DIRECTORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 those financial statements, the directors are required to:

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

Alsecco (U.K.) Limited
STATEMENT OF FINANCIAL POSITION
at 31 December 2017

	Note	£	2017	£	£	2016	£
FIXED ASSETS							
Intangible assets	5		31,144			-	
Tangible assets	6		138,784			183,860	
			<u>169,928</u>			<u>183,860</u>	
CURRENT ASSETS							
Stocks	7	53,248			126,041		
Debtors	8	1,422,681			1,437,460		
Cash at bank and in hand		468,746			845,936		
			<u>1,944,675</u>		<u>2,409,437</u>		
CURRENT LIABILITIES:							
Creditors: Amounts falling due within one year	9	(1,015,082)			(1,523,991)		
			<u>929,593</u>		<u>885,446</u>		
NET CURRENT ASSETS							
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>1,099,521</u>		<u>1,069,306</u>		
PROVISIONS FOR LIABILITIES	11		<u>(22,782)</u>		<u>(22,912)</u>		
NET ASSETS			<u><u>1,076,739</u></u>		<u><u>1,046,394</u></u>		
CAPITAL AND RESERVES							
Called up share capital	12		250,000		250,000		
Profit and loss account			826,739		796,394		
TOTAL EQUITY			<u><u>1,076,739</u></u>		<u><u>1,046,394</u></u>		

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

The financial statements on pages 6 to 16 were approved by the board of directors and authorised for issue on 14 February 2018 and are signed on its behalf by:


BJ Parry
 Director

Company Registration No. 03002864

Alsecco (U.K.) Limited

ACCOUNTING POLICIES

GENERAL INFORMATION

Alsecco (U.K.) ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office and principal place of business is:

Whitebridge Way
Stone
Staffordshire
ST15 8GH

The Company's principal activity and nature of operations is the distribution of external wall insulation products for the construction industry.

BASIS OF ACCOUNTING

These financial statements have been prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102) as applied to smaller entities by the adoption of Section 1A of FRS 102 and the requirements of the Companies Act 2006 and under the historical cost convention.

GOING CONCERN

The directors have prepared detailed forecasts and despite continuing difficult economic conditions are confident that the company has sufficient financial resources to meet its working capital requirements for the foreseeable future. The accounts, therefore, have been prepared on a going concern basis.

FUNCTIONAL AND PRESENTATIONAL CURRENCIES

The financial statements are presented in sterling which is also the functional currency of the company.

FOREIGN CURRENCIES

Transactions in currencies other than the functional currency are initially recorded at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

TURNOVER

Turnover represents the invoiced value, net of Value Added Tax, of goods sold and services provided to customers during the year. Turnover is recognised when substantially all the risks and rewards of ownership have been transferred.

OTHER INCOME

Interest Income

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

TANGIBLE FIXED ASSETS

Tangible fixed assets are stated at cost and net of depreciation.

Depreciation is provided by the company to write off the cost less estimated residual value of tangible fixed assets over their expected useful life on a straight line basis, as follows:

Leasehold improvements	over life of lease
Fixtures and fittings	12½% to 25% per annum on cost
Plant and equipment	25% per annum on cost

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Alsecco (U.K.) Limited

ACCOUNTING POLICIES

INTANGIBLE FIXED ASSETS

Intangible fixed assets are stated at cost and net of amortisation.

Amortisation is provided by the company to write off the cost less estimated residual value of intangible fixed assets over their expected useful life on a straight line basis, as follows:

IT Software	25% per annum on cost
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Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

STOCKS

Stocks are valued at the lower of cost and net realisable value.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

TAXATION

The tax expense represents the sum of the current tax expense and the deferred tax expense. Current tax assets are recognised when the tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

LEASED ASSETS AND OBLIGATIONS

All leases are "operating leases" based on the assessment that substantially all the risks and rewards remain with the lessor and the annual rentals are charged to profit or loss on a straight line basis over the lease term.

Alsecco (U.K.) Limited

ACCOUNTING POLICIES

EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

RETIREMENT BENEFITS

The company operates a defined contribution scheme. The amount charged to profit or loss in respect of pension costs is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

FINANCIAL INSTRUMENTS

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade debtors

Trade debtors which are receivable within one year are initially measured at the transaction price. Trade debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate. Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Trade creditors

Trade creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Alsecco (U.K.) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

1	PROFIT/(LOSS) ON ORDINARY ACTIVITIES BEFORE TAXATION	2017 £	2016 £
	Profit/(Loss) on ordinary activities before taxation is stated after charging:		
	Depreciation and amounts written off tangible fixed assets:		
	Owned	49,816	56,655
	Amortisation of intangible fixed assets	750	-
	Loss on disposal of fixed assets	-	141
	Operating lease rentals:		
	Land and buildings	141,609	132,060
	Other	117,257	112,524
	Exchange (profit)/loss	(1,197)	87,382
	Audit services – statutory audit of the company	11,500	11,000
		<hr/>	<hr/>
2	EMPLOYEES	2017 Number	2016 Number
	The average monthly number of persons (including directors) employed by the company during the year was:		
	Management	2	2
	Administration	10	10
	Sales	16	18
		<hr/>	<hr/>
		28	30
		<hr/>	<hr/>
	DIRECTORS' REMUNERATION	2017 £	2016 £
	Emoluments	149,323	149,851
	Company contributions to money purchase pension schemes	9,200	8,582
		<hr/>	<hr/>
		158,523	158,433
		<hr/>	<hr/>
	The number of directors to whom relevant benefits are accruing under:	2017 Number	2016 Number
	Money purchase pension schemes	1	1
		<hr/>	<hr/>

Alsecco (U.K.) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

3	TAXATION	2017	2016
		£	£
	Current tax:		
	UK corporation tax	14,119	(22,934)
	Adjustments in respect of previous year	(794)	-
	Total current tax	13,325	(22,934)
	Deferred tax:		
	Origination and reversal of timing differences	(130)	(2,637)
	Effect of decreased tax rate on opening liability	-	(1,503)
	Total deferred tax	(130)	(4,140)
	Tax on profit/(loss) on ordinary activities	13,195	(27,074)

Factors affecting tax charge/(credit) for year:

The tax assessed for the year is higher (2016: higher) than the standard rate of corporation tax 19.25% (2016: 20%) as explained below:

	2017	2016
	£	£
Profit/(loss) on ordinary activities before tax	43,540	(159,220)
Profit/(loss) on ordinary activities multiplied by the average standard rate of corporation tax 19.25% (2016: 20%)	8,380	(31,844)
Effects of:		
Expenses not deductible in determining taxable profit	5,593	6,086
Adjustment to tax charge in respect of previous year	(794)	-
Amounts relating to change in tax rates	-	(1,037)
Rate difference on losses carried back	16	(279)
Total tax expense	13,195	(27,074)

4	DIVIDENDS	2017	2016
		£	£
	The following dividends were declared and paid:		
	Ordinary shares		
	Interim dividend	-	2,500,000

On 25 May 2016, an interim dividend of £10 per share was paid to shareholders. No dividends were paid or declared during 2017.

Alsecco (U.K.) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

5 INTANGIBLE FIXED ASSETS

	IT software £
<i>COST</i>	
At beginning of year	-
Additions	31,894
	<hr/>
At end of year	31,894
	<hr/>
<i>AMORTISATION</i>	
At beginning of year	-
Charge for year	750
	<hr/>
At end of year	750
	<hr/>
<i>NET BOOK VALUE</i>	
At 31 December 2017	31,144
	<hr/> <hr/>

6 TANGIBLE FIXED ASSETS

	Leasehold improvements £	Fixtures and fittings £	Plant and equipment £	Total £
<i>COST</i>				
At beginning of year	180,320	266,462	96,913	543,695
Additions	-	3,611	1,129	4,740
Disposals	-	-	(100)	(100)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	180,320	270,073	97,942	548,335
	<hr/>	<hr/>	<hr/>	<hr/>
<i>DEPRECIATION</i>				
At beginning of year	63,062	206,652	90,121	359,835
Charge for year	18,882	25,811	5,123	49,816
On disposals	-	-	(100)	(100)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of year	81,944	232,463	95,144	409,551
	<hr/>	<hr/>	<hr/>	<hr/>
<i>NET BOOK VALUE</i>				
At 31 December 2017	98,376	37,610	2,798	138,784
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
At 31 December 2016	117,258	59,810	6,792	183,860
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Alsecco (U.K.) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

7	STOCKS	2017	2016
		£	£
	Raw materials and consumables	53,248	126,041
		<u> </u>	<u> </u>
8	DEBTORS	2017	2016
		£	£
	Trade debtors	1,283,078	1,262,510
	Prepayments	97,512	129,242
	Other debtors	-	500
	Corporation Tax debtor	42,091	45,208
		<u> </u>	<u> </u>
		1,422,681	1,437,460
		<u> </u>	<u> </u>
9	CREDITORS: Amounts falling due within one year	2017	2016
		£	£
	Trade creditors	214,781	374,943
	Amounts owed to group undertakings	424,439	762,622
	Other taxation and social security costs	265,236	216,329
	Other creditors	-	7,308
	Accruals	110,626	162,789
		<u> </u>	<u> </u>
		1,015,082	1,523,991
		<u> </u>	<u> </u>
10	FINANCIAL INSTRUMENTS		
	The carrying amount of the Company's financial instruments at 31 December were:		
		2017	2016
		£	£
	<i>Financial assets:</i>		
	Debt instruments measured at amortised cost	1,283,078	1,263,010
		<u> </u>	<u> </u>
	<i>Financial liabilities:</i>		
	Measured at amortised cost	749,846	1,307,662
		<u> </u>	<u> </u>

Debt instruments measured at amortised cost include trade debtors and other debtors.

Financial liabilities measured at amortised cost include trade creditors, amounts owed to group undertakings, other creditors and accruals.

Alsecco (U.K.) Limited
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2017

11	PROVISIONS FOR LIABILITIES	£
	At beginning of year	22,912
	Credit for the year	(130)
	At end of year	22,782

The deferred tax liability is made up as follows:

	2017 £	2016 £
Difference between accumulated depreciation and capital allowances	22,782	22,912

12	CALLED UP SHARE CAPITAL	2017 £	2016 £
	Allotted, issued and fully paid: 250,000 ordinary shares of £1 each	250,000	250,000

13 COMMITMENTS UNDER OPERATING LEASES

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2017			2016		
	Land and buildings £	Other £	Total £	Land and buildings £	Other £	Total £
Amounts due:						
Within one year	157,195	87,587	244,782	132,060	108,554	240,614
Between one and five years	317,950	26,578	344,528	528,240	230,139	758,379
After more than five years	-	-	-	143,065	-	143,065
	475,145	114,165	589,310	803,365	338,693	1,142,058

14 AUDIT REPORT

As the Income Statement has been omitted from the pages for filing with registrar of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444 (5B) of the Companies Act 2006:

- the audit report was unqualified
- the senior statutory auditor was Jonathan Lowe
- the auditor was RSM UK Audit LLP

Alsecco (U.K.) Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 December 2017

15 RELATED PARTY TRANSACTIONS

Deutsche Amphibolin-Werke von Robert Murjahn Stiftung & Co KG acquired the remaining 37,500 of the shares of the company on 21 March 2016 from M Parry and Alsecco (U.K.) Limited became a 100% subsidiary of the group.

The company has received supplies from and made supplies of goods, services and recharges to it's ultimate parent undertaking, Deutsche Amphibolin-Werke von Robert Murjahn Stiftung & Co KG up to 21 March 2016 as follows:

	2016 £
Purchases	847,800
Sales	(5,996)
	<hr/>

The company has taken advantage of the exemption under FRS102 whereby it has not disclosed transactions with wholly owned members of the group from 21 March 2016.

Alsecco (U.K.) Limited trades with an entity which is controlled by a close family member of a director. This entity received management fees, rents and reimbursements for costs which during the year to 31 December 2017 amounted to £180,023 (year ended 31 December 2016: £241,932). A balance of £22,072 was due to the entity at the year end (2016: £21,420).

Alsecco (U.K.) Limited trades with an entity which is controlled by a close family member of a director. This entity received marketing fees which during the year to 31 December 2017 amounted to £38,169 (year ended 31 December 2016: £nil). A balance of £7,740 was due to the entity at the year end (2016: £nil).

16 PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the employees' individual personal pension plans and amounted to £61,141 (2016: £64,288). At the year end the company had contributions of £132 (2016: £7,308) outstanding.

17 ULTIMATE PARENT COMPANY AND PARENT UNDERTAKING OF LARGER GROUP

The company's immediate parent company is Alsecco Beteiligungen GmbH, a company incorporated in Germany.

The company's ultimate parent undertaking is Deutsche Amphibolin-Werke von Robert Murjahn Stiftung & Co KG, a company incorporated in Germany. There is not considered to be a controlling party of Deutsche Amphibolin-Werke von Robert Murjahn Stiftung & Co KG, and the financial statements are not publicly available.

At the balance sheet date the largest group in which the results of the company are consolidated is that headed by Deutsche Amphibolin-Werke von Robert Murjahn Stiftung & Co KG, a company incorporated in Germany.

The smallest group in which the results of the company are consolidated is that headed by Alsecco Beteiligungen GmbH. The registered address of this company is Kupferstr. 50 36208 Wildeck, Richelsdorf, Germany.