

Carbolite Holdings Limited

Annual report and financial statements

Registered number 06758930

For the year ended 31 December 2015



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Strategic report

Business model

The company is a non-trading intermediate holding company.

Business review and results

The loss for the period before taxation amounted to £387,910 (2014: Profit £3,073,358). The directors declared a dividend of £nil (2014: £2,371,169). The profit for the year, after taxation, amounted to £360,421 (2014 £3,180,540)

Key performance indicators

As the company is a non-trading intermediate holding company Key Performance Indicators are not produced.

Principal risks and uncertainties

The company is a wholly owned non-trading subsidiary of an international group.

Future developments

There are no future developments planned.

Signed on behalf of the directors



Dr J Pankratz
Director

Parsons Lane
Hope
Hope Valley
S33 6RB

18th August 2016

Directors' report

The director presents his report and the financial statements of the company for the year ended 31 December 2015.

Principal activities

The company is an intermediate holding company. The entity holds investment in a trading company Carbolite Gero Limited (Registered number 01371507), this activity will continue in the future.

Director

The name of the Director during the period are as follows:-

Dr J Pankratz

The director had no interests in the shares of the company.

The director confirms that no third party indemnity provisions for his benefit have been in place, neither at the time this report was signed nor at any time during the financial year.

Disclosure of information to auditor

The director who held office at the date of approval of this directors' report confirm that, so far as he is aware, there is no relevant audit information of which the Company's auditor is unaware; and he 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 auditor is aware of that information.

Auditor

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

By order of the board



Dr J Pankratz
Director

Parsons Lane,
Hope,
Hope Valley,
Derbyshire,
S33 6RB

18th August 2016

Statement of directors' responsibilities in respect of the Directors' Report, Strategic Report and the financial statements

The director is responsible for preparing the Directors' Report, Strategic 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 they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

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 judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



KPMG LLP

1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA
United Kingdom

Independent auditor's report to the members of Carbolite Holdings Limited

We have audited the financial statements of Carbolite Holdings Limited for the year ended 31 December 2015 as set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 3, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its loss for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

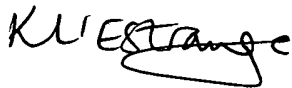
In our opinion the information given in the Directors' Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report to the members of Carbolite Holdings Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Katharine L'Estrange (Senior Statutory Auditor)
for and on behalf of KPMG LLP, Statutory Auditor
Chartered Accountants
1 Sovereign Square
Sovereign Street
Leeds
LS1 4DA

19 August 2016

Profit and loss account and Other comprehensive income
for the year ended 31 December 2015

	<i>Note</i>	2015 £	2014 £
Operating profit	3	-	-
Income from shares in group undertakings		-	3,571,169
Interest receivable and similar income	4	28,240	19,166
Interest payable and similar charges	5	(416,150)	(516,977)
		<hr/>	<hr/>
(Loss)/profit on ordinary activities before taxation		(387,910)	3,073,358
Tax credit on (loss)/profit on ordinary activities	6	27,489	107,182
		<hr/>	<hr/>
(Loss)/profit on ordinary activities after taxation		(360,421)	3,180,540
		<hr/>	<hr/>
Total comprehensive income for the year		(360,421)	3,180,540
		<hr/>	<hr/>

All of the activities of the company are classed as continuing.


The company has no other comprehensive income other than the results for the year as set out above, and therefore no separate statement of total comprehensive income has been presented.

The notes on pages 9 to 15 form an integral part of these financial statements.

Balance sheet
as at 31 December 2015

	<i>Notes</i>	2015 £	2014 £
Fixed assets			
Investments	7	15,976,365	15,976,365
		<hr/>	<hr/>
Current assets			
Cash at bank and in hand		358	388
		<hr/>	<hr/>
		358	388
		<hr/>	<hr/>
Creditors: amounts falling due within one year	8	(9,929,793)	(8,369,830)
		<hr/>	<hr/>
Net current liabilities		(9,929,435)	(8,369,442)
		<hr/>	<hr/>
Total assets less current liabilities		6,046,930	7,606,923
Creditors: amounts falling due after more than one year	9	(6,300,290)	(7,499,862)
		<hr/>	<hr/>
Net (liabilities)/assets		(253,360)	107,061
		<hr/>	<hr/>
Capital and reserves			
Called up share capital	10	10,000	10,000
Profit and loss account		(263,360)	97,061
		<hr/>	<hr/>
Shareholders' (deficit)/funds		(253,360)	107,061
		<hr/>	<hr/>

These financial statements were approved by the board of directors on 18th August 2016 and were signed on its behalf by:



Dr J Rankratz
Director

The notes on pages 9 to 15 form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2015

	Called up Share capital	Profit and loss account	Total equity
	£	£	£
Balance at 1 January 2014	10,000	(712,310)	(702,310)
Total comprehensive income for the period			
Profit for the year	-	3,180,540	3,180,540
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	3,180,540	3,180,540
Transactions with owners, recorded directly in equity			
Dividends	-	(2,371,169)	(2,371,169)
Total contributions by and distributions to owners	-		
Balance at 31 December 2014	10,000	97,061	107,061
Total comprehensive income for the period			
Loss for the year	-	(360,421)	(360,421)
Other comprehensive income	-	-	-
Total comprehensive income for the period	-	(360,421)	(360,421)
Transactions with owners, recorded directly in equity			
Dividends	-	-	-
Total contributions by and distributions to owners	-	-	-
Balance at 31 December 2015	10,000	(263,360)	(253,360)

The notes on pages 9 to 15 form an integral part of these financial statements.

Notes

(forming part of the financial statements)

1 Accounting policies

Carbolite Holdings Limited (the "Company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland ("FRS 102") as issued in August 2014. The presentation currency of these financial statements is sterling.

In the transition to FRS 102 from old UK GAAP, the Company has made no measurement and recognition adjustments.

The Company's ultimate parent undertaking, Verder International BV includes the Company in its consolidated financial statements. The consolidated financial statements of Verder International BV are available to the public and may be obtained from their registered office as disclosed in Note 17. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to end of the period;
- Cash Flow Statement and related notes; and
- Key Management Personnel compensation.

As the consolidated financial statements of Verder International BV include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- Certain disclosures required by FRS 102.26 Share Based Payments; and,
- The disclosures required by FRS 102.11 Basic Financial Instruments and FRS 102.12 Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The Company proposes to continue to adopt the reduced disclosure framework of FRS 102 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements. On first time adoption of FRS 102, the Company has not retrospectively changed its accounting under old UK GAAP for accounting estimates.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed below.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements as it and its subsidiary undertakings are wholly owned subsidiaries of Verder International B.V. and included by full consolidation in the consolidated financial statements of Verder International B.V. which are publicly available.

Measurement convention

The financial statements are prepared on the historical cost basis.

Going concern

The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current facility.

The director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the annual financial statements.

Notes (continued)

Foreign currency

Transactions in foreign currencies are translated to the Company's functional currency at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated to the functional currency at the foreign exchange rate ruling at that date. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are retranslated to the functional currency at foreign exchange rates ruling at the dates the fair value was determined. Foreign exchange differences arising on translation are recognised in the profit and loss account.

Classification of financial instruments issued by the Company

In accordance with FRS 102.22, financial instruments issued by the Company are treated as equity 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.

Basic financial instruments

Trade and other debtors / creditors

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors. If the arrangement constitutes a financing transaction, for example if payment is deferred beyond normal business terms, then it is measured at the present value of future payments discounted at a market rate of instrument for a similar debt instrument.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

Investments in ordinary shares

Investments in equity instruments are measured initially at fair value, which is normally the transaction price. Transaction costs are excluded if the investments are subsequently measured at fair value through profit and loss. Subsequent to initial recognition investments that can be measured reliably are measured at fair value with changes recognition in profit or loss. Other investments are measured at cost less impairment in profit or loss

Investments in subsidiaries

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less impairment.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits. Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose only of the cash flow statement.

Notes (continued)

Impairment excluding deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Non-financial assets

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit"). The goodwill acquired in a business combination, for the purpose of impairment testing is allocated to cash-generating units, or ("CGU") that are expected to benefit from the synergies of the combination. For the purpose of goodwill impairment testing, if goodwill cannot be allocated to individual CGUs or groups of CGUs on a non-arbitrary basis, the impairment of goodwill is determined using the recoverable amount of the acquired entity in its entirety, or if it has been integrated then the entire entity into which it has been integrated.

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the units, and then to reduce the carrying amounts of the other assets in the unit (group of units) on a pro rata basis.

Provisions

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the amount required to settle the obligation at the reporting date.

Where the Company enters into financial guarantee contracts to guarantee the indebtedness of other companies within its group, the company treats the guarantee contract as a contingent liability until such time as it becomes probable that the company will be required to make a payment under the guarantee.

Notes (continued)

Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy).

Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the company's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on timing differences which arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. The following timing differences are not provided for: differences between accumulated depreciation and tax allowances for the cost of a fixed asset if and when all conditions for retaining the tax allowances have been met; and differences relating to investments in subsidiaries, to the extent that it is not probable that they will reverse in the foreseeable future and the reporting entity is able to control the reversal of the timing difference. Deferred tax is not recognised on permanent differences arising because certain types of income or expense are non-taxable or are disallowable for tax or because certain tax charges or allowances are greater or smaller than the corresponding income or expense.

Deferred tax is measured at the tax rate that is expected to apply to the reversal of the related difference, using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax balances are not discounted.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Accounting estimates and judgements

There are no significant estimates that affect the financial statements.

Critical accounting judgements in applying the Company's accounting policies

The main accounting judgement relates to the recoverability of investments in subsidiaries. The directors consider that the carrying value of the investment is supported by the underlying net assets and profitable trading of its subsidiary Carbolite Gero Limited. During the year to 31 December 2015 Carbolite Gero Limited generated a profit after tax of £1.0m (2014: £1.4m).

Notes (continued)

2 Expenses and auditor's remuneration

Auditor's remuneration

Audit fees are borne by another group company. If audit fees had been recharged, the fee for the audit of the company's annual accounts would have been £2,200 (2014: £2,100). There are no non-audit fees payable to the auditor (2014: £nil).

3 Staff numbers, costs and Directors' remuneration

The company has no employees in the period (2014: nil) other than the director.

The director received no emoluments during the financial year (2014: £nil) from the company. The director is remunerated by another Verder International B.V. group company; Verder International B.V.

4 Interest receivable and similar income

	2015 £	2014 £
Group interest receivable	28,240	19,166
	<u>28,240</u>	<u>19,166</u>

5 Interest payable and similar charges

	2015 £	2014 £
Group interest payable	(416,150)	(516,977)
	<u>(416,150)</u>	<u>(516,977)</u>

6 Taxation

Total tax expense recognised in the profit and loss account, other comprehensive income and equity:

	2015 £	2014 £
<i>Current tax:</i>		
Current tax credit for the year	(78,553)	(107,182)
Adjustment in respect of previous periods	51,064	-
	<u>(27,489)</u>	<u>(107,182)</u>

Notes (continued)

The standard rate for the year, based on the UK standard rate of corporation tax is 20.25% (2014: 21.5%), the actual charge differs from the standard rate for the reasons set out in the following reconciliation.

	2015 £	2014 £
(Loss)/Profit on ordinary activities before taxation	(387,910)	3,073,358
Tax at 20.25% (2014: 21.5%) thereon	(78,552)	660,561
Expenses not deductible for tax purposes	-	(767,556)
Group relief surrendered	78,553	107,182
Receipt for group relief	(78,553)	(107,182)
Utilisation of tax losses	(1)	(187)
Adjustments in respect of previous periods	51,064	-
Total tax credit included in profit and loss	(27,489)	(107,182)

Explanation of applicable tax rates

Reductions in the UK corporation tax rate from 23% to 21% (effective from 1 April 2014) and 20% (effective from 1 April 2015) were substantively enacted on 2 July 2013. Further reductions to 19% (effective from 1 April 2017) and to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. An additional reduction to 17% (effective from 1 April 2020) was announced in the Budget on 16 March 2016. This will reduce the company's future current tax charge accordingly.

Deferred tax of £47,428 (2014: £52,711) in relation to taxable losses is not provided for on the basis of insufficient forecast profits against which to realise the asset.

7 Investments

Fixed Asset Investments - shares in group undertaking

£

Cost and net book value

As at 1 January 2014, 31 December 2014, 1 January 2015 and 31 December 2015

15,976,365

The company owns 100% of the issued share capital of Carbolite Gero Limited (formerly Carbolite Limited). Carbolite Gero Limited is a trading company incorporated in the UK.

8 Creditors: amounts falling due within one year

	2015 £	2014 £
Accruals	2,000	2,100
Amounts due to group undertakings	9,927,793	8,367,730
	9,929,793	8,369,830

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Notes (continued)

9 Creditors: amounts falling due after more than one year

	2015 £	2014 £
Amounts owed to group undertakings	6,300,290	7,499,862
	<u>6,300,290</u>	<u>7,499,862</u>

Interest-bearing loans and borrowings

Terms and debt repayment schedule

Included in creditors falling due after more than one year are amounts owing to group undertakings. This is a loan, originally for £10,697,000 due to Verder Holdings U.K. Limited. The loan was made in June 2012 and is due for repayment on 31 December 2017. It is interest bearing at a fixed rate of 6% for the entire loan period. Capital repayments are being made depending on available cash and are not contractual.

10 Share capital

	2015 £	2014 £
<i>Allotted called up and fully paid</i>		
Ordinary shares of £1 each	10,000	10,000
	<u>10,000</u>	<u>10,000</u>

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

11 Contingent liabilities

During the current year the company guaranteed jointly with certain other group companies, the liabilities under various banking facilities. At 31 December 2015 the outstanding liabilities under these facilities amounted to £nil (2014: £nil).

12 Ultimate parent company

The immediate parent company is Verder Holdings UK Limited, a company incorporated in the UK. The ultimate parent undertaking and controlling party is Verder International B.V., a company registered in The Netherlands, which is the parent undertaking of the smallest and largest group to consolidate these financial statements. The financial statements of the company can be obtained from their registered office:

Utrechtseweg 4A
NL 3450 AA Vleuten
The Netherlands