

Remmers(UK) Limited
Annual report and accounts
for the year ended 31 December 2009

Registered Number 2363352

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Remmers (UK) Limited
Annual report and accounts
for the year ended 31 December 2009
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Remmers (UK) Limited

Directors' report for the year ended 31 December 2009

The Directors present their report and the audited financial statements of the company for the year ended 31 December 2009

Principal activities

The company's principal activity during the year continued to be that of the supply of chemicals and materials to the building and related industries

Directors

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

Dirk Sieverding (German)
Alex Dennis
Steve Dunn

Statement of directors' responsibilities

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 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, 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 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

Remmers (UK) Limited

Directors' report for the year ended 31 December 2009 (continued)

Disclosure of information to auditors

So far as each director at the date of approval of this report is aware

- There is no relevant audit information of which the company's auditors are unaware, and
- The directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

Auditors

Following the resignation of Michael George Associates on 17 November 2009, PricewaterhouseCoopers LLP were appointed by the directors as auditors to fill a casual vacancy. They have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

Small company special provisions

The report of the directors has been prepared in accordance with the special provisions of Part VII of the Companies Act 2006 relating to small companies.

This report was approved by the board on 6-08-2010



Alex Dennis
Director

REMMERS (UK) LIMITED
(Registration No. 2363352)

Remmers (UK) Limited

Independent auditors' report to the members of Remmers (UK) Limited

We have audited the financial statements of Remmers (UK) Limited for the year ended 31 December 2009 which comprise the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

Respective responsibilities of directors and auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 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.

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.

Scope of the audit of the financial statements

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.

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 2009 and of its loss for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities, 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 for the financial year for which the financial statements are prepared is consistent with the financial statements.

Remmers (UK) Limited

Independent auditors' report to the members of Remmers (UK) 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, or
- the directors were not entitled to prepare the financial statements and the Directors' Report in accordance with the small companies regime



Michael N Jones

For and behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick

Date 11 August 2010

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2009

Profit and loss account for the year ended 31 December 2009

	Notes	2009 £	2008 £
Turnover		2,929,931	3,515,594
Cost of sales		(1,953,166)	(2,156,559)
Gross profit		976,765	1,359,035
Administrative expenses		(1,217,148)	(1,925,387)
Operating loss	2	(240,383)	(566,352)
Interest receivable		898	9,278
Interest payable	3	(13,227)	(35,620)
Loss on ordinary activities before taxation		(252,712)	(592,694)
Tax on loss on ordinary activities	4	-	(130,430)
Loss for the financial year		(252,712)	(723,124)

All amounts relate to continuing operations

The company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of recognised gains and losses has been presented

There is no material difference between the loss on ordinary activities and the loss for the financial year stated above and their historical cost equivalents

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2009

Balance sheet as at 31 December 2009

	Notes	2009 £	2008 £
Fixed assets			
Tangible assets	5	83,663	144,089
Current assets			
Stocks	6	301,426	516,919
Debtors	7	567,628	716,817
Cash at bank and in hand		<u>141,744</u>	<u>177,129</u>
		1,010,798	1,410,865
Creditors - amounts falling due within one year	8	<u>(454,776)</u>	<u>(658,745)</u>
Net current assets		<u>556,022</u>	<u>752,120</u>
Total assets less current liabilities		639,685	896,209
Creditors - amounts falling due after more than one year	9	<u>(368,705)</u>	<u>(372,549)</u>
Net assets		<u>270,980</u>	<u>523,660</u>
Capital and reserves			
Called up share capital	10	2,360,032	2,360,000
Profit and loss account	11	<u>(2,089,052)</u>	<u>(1,836,340)</u>
Total shareholders' funds		<u>270,980</u>	<u>523,660</u>

The accounts have been prepared in accordance with the special provisions relating to small companies within Part VII of the Companies Act 2006

The financial statements were approved by the board on 06-08-10 and were signed on its behalf by



Alex Dennis
Director

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2009

1 Accounting policies

The accounts have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008)

Basis of preparation

The directors believe that preparing the accounts on the going concern basis is appropriate due to the confirmation received from Remmers AG that they do not intend to recall the inter-company balance between Remmers AG and Remmers UK Limited until such time as Remmers UK Limited is in a position to make payments, so as to enable Remmers UK Limited to meet its liabilities as they fall due and to carry out their business without significant curtailment in operations for a minimum period of twelve months from the date of approval of the financial statements for the year ended 31 December 2009

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers recognised on despatch when the right to consideration has been earned

Tangible fixed assets and depreciation

Tangible fixed assets are stated at their historical purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives

Leasehold property	over the term of the lease
Plant, machinery and computer equipment	20% & 30% straight line
Motor vehicles	33% straight line

Stock

Stock is valued at the lower of cost and net realisable value

Deferred taxation

Full provision is made for deferred taxation resulting from timing differences between the recognition of gains and losses in the accounts and their recognition for tax purposes

Deferred taxation is calculated on an un-discounted basis at the tax rates which are expected to apply in the periods when the timing differences will reverse

When deferred tax is an asset no provision is made in the accounts unless its utilisation is reasonably certain within the following twelve months. Where this is not the case the amount of the potential deferred tax asset is shown in the notes to the accounts

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2009

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the balance sheet date. All differences are taken to the profit and loss account.

Leasing and hire purchase commitments

Assets held under finance leases and hire purchase contracts, which are those where substantially all the risks and rewards of ownership of the asset have passed to the company, are capitalised in the balance sheet and depreciated over their useful lives. The corresponding lease or hire purchase obligation is treated in the balance sheet as a liability.

The interest element of the rental obligation is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding.

Rentals paid under operating leases are charged to income on a straight line basis over the term of the lease.

Pensions

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Total contributions in the year were £26,433 (2008 £32,661), and £2,203 (2008 £2,383) was prepaid at the balance sheet date.

2 Operating loss

	2009 £	2008 £
This is stated after charging		
Depreciation of owned fixed assets	57,086	60,058
Depreciation of assets held under finance leases and hire purchase contracts	6,738	6,738
Directors remuneration	193,931	186,156
Staff pension costs	15,937	32,661
Current auditors remuneration - for audit services	6,000	6,000
Previous auditors remuneration – for audit services	3,500	6,000
Current auditors remuneration – for other services	-	-
Previous auditors remuneration - for other services	20,968	7,000

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2009

	2009	2008
	No	No
Number of directors to whom benefits accrued under money purchase pension schemes	<u>2</u>	<u>2</u>

3 Interest payable

	2009	2008
	£	£
Interest payable	<u>13,227</u>	<u>35,620</u>

4 Tax on loss on ordinary activities

	2009	2008
	£	£
Current tax	-	-
Deferred tax	<u>-</u>	<u>130,430</u>
	<u>-</u>	<u>130,430</u>

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2009

5 Tangible fixed assets

	Short leasehold	Plant and machinery	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 January 2009	26,575	339,111	20,214	385,900
Additions	-	3,400	-	3,400
At 31 December 2009	26,575	342,511	20,214	389,300
Accumulated depreciation				
At 1 January 2009	13,410	214,927	13,476	241,813
Charge for the year	5,315	51,771	6,738	63,824
At 31 December 2009	18,725	266,698	20,214	305,637
Net book amount				
At 31 December 2009	7,850	75,813	-	83,663
At 31 December 2008	13,165	124,186	6,738	144,089

	2009	2008
	£	£
Net book value of motor vehicles included above held under finance leases and hire purchase contracts	-	6,738

6 Stocks

	2009	2008
	£	£
Finished goods	301,426	516,919

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2009

7 Debtors

	2009	2008
	£	£
Trade debtors	504,663	647,328
Other debtors	11,080	15,482
Prepayments and accrued income	51,885	84,007
	<u>567,628</u>	<u>746,817</u>

8 Creditors: amounts falling due within one year

	2009	2008
	£	£
Obligations under finance leases and hire purchase contracts	5,418	5,506
Trade creditors	28,799	89,850
Amounts owed to group undertakings and undertakings in which the company has a participating interest	328,782	433,426
Other taxes and social security	73,238	96,398
Accruals and deferred income	18,539	33,565
	<u>454,776</u>	<u>658,745</u>

9 Creditors: amounts falling due after more than one year

	2009	2008
	£	£
Subordinated loan	368,705	368,705
Obligations under finance lease and hire purchase contracts	-	3,844
	<u>368,705</u>	<u>372,549</u>

The subordinated loan agreement with the holding company expires in November 2013 The loan is unsecured and interest is payable at 3.59% p a

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2009

10 Called up share capital

	2009	2008
	£	£
Authorised		
Ordinary shares of £1 each (No of shares 4,000,000)	4,000,000	4,000,000
Class B shares of £0 0001 each (no voting rights) (No of shares 500,000 2008 nil)	50	-
	<u>4,000,050</u>	<u>4,000,000</u>

	2009	2008	2009	2008
	No.	No	£	£
Authorised, called up and fully paid				
Ordinary shares of £1 each	2,360,00	2,360,000	2,360,000	2,360,000
Class B shares of £0 0001 each	321,819	-	32	-
	<u>2,681,819</u>	<u>2,360,000</u>	<u>2,360,032</u>	<u>2,360,000</u>

The B shares have no voting rights, no right to dividends and no rights on winding up. The share options are granted for the commercial reason of motivating the nominated employee towards the achievement of the company's objectives and retaining the services of the nominated employee in the employment of the company.

The share option scheme was introduced in June 2009. A total of 321,819 share options were granted in June 2009 at a price of £0 0001. All these options were exercised during 2009. These shares vest over a ten year period as follows: 10% from 31/12/11, 40% from 31/12/14 and the remaining 50% from 31/12/19.

11 Profit and loss accounts

	2009	2008
	£	£
At 1 January	(1,836,340)	(1,113,216)
Loss for the year	<u>(252,712)</u>	<u>(723,124)</u>
At 31 December	<u>(2,089,052)</u>	<u>(1,836,340)</u>

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2009

12 Contingent liabilities

Materials sold by the company carry varying insurance-backed warranties with a maximum liability of 20% of the claim value and an overriding maximum of Euros 50,000 per claim. At the date of the financial statements there were no outstanding claims against the warranties.

13 Related parties

The disclosures which are required to be made relate to transactions with fellow group undertakings and are as follows -

The company made purchases from its parent company of £1,048,201 (2008 £1,595,113). The company made payments of £1,155,239 (2008 £1,458,667) to its parent company in respect of intercompany charges. At the year end, the company has an intercompany creditor balance of £326,388 (2008 £433,426) with the parent company.

The company has a subordinated loan of £368,705 (2008 £368,705) from Remmers AG.

14 Controlling party

Throughout this and the previous year the company was under the control of its parent company, Remmers AG, a company incorporated in Germany, whose registered address is Bernhard Remmers-Strasse 13, PO Box 1255, Lönningen, Germany.