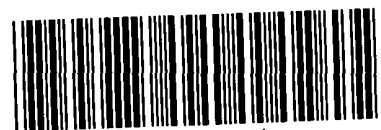


Remmers (UK) Limited
Annual report and financial statements
for the year ended 31 December 2017

Registered Number 2363352

WEDNESDAY



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Remmers (UK) Limited

Annual report and financial statements for the year ended 31 December 2017

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Remmers (UK) Limited

Directors' report for the year ended 31 December 2017

The directors present their report and the audited financial statements of the company for the year ended 31 December 2017.

Review of business and future developments

In 2017 the company achieved a sales turnover £5,391,464 (2016: £5,439,842) and a profit on ordinary activities before taxation of £105,385 (2016: loss of £19,559). Our local result was affected by the sizeable unfavourable shift in the value of sterling after the Brexit result and also a change in the internal transfer pricing structure of products supplied from Remmers Group.

2017 was a year that saw a consistent sales performance as a result of the continued pursuit of our business strategy in core markets of the Remmers Group. The Irish & Northern Ireland markets continued to improve during the course of the year and this progress is anticipated to continue in 2018. In the exterior joinery market good progress was made in securing new, small and medium sized joinery accounts with several larger companies anticipated to also start buying our Induline wood coatings in Q2 of 2018.

The targets for sales turnover and gross profit for 2018 are very challenging and they are based upon achieving a substantial increase in sales in the external joinery coatings market as well as another strong year of sales of our flooring products. The area of building construction products will be particularly difficult against a backdrop of economic uncertainty.

Significant investments in new resin flooring production equipment will be made at our premises in Crawley in order to further strengthen our presence in this important market, as well as enabling us to achieve efficiencies in our stock management and reacting to ever shorter delivery timescales from our valued customers.

Following the decision for the UK to trigger article 50 and leave the European Union we will continue to monitor any impact upon our medium and long term business including the strength of sterling against the euro both of which we feel could still negatively affect our sales turnover and profit.

However we firmly believe that after 5 years of consistent, strong growth we remain very well prepared to deal with any potential effects of the decision to leave the European Union.

Financial risk management

The Company's activities expose it to a limited number of financial risks which it aims to manage on a day to day basis.

Liquidity Risk

As part of a group the company passes surplus funds to its parent company, preparing regular cash flow forecasts and only retaining sufficient cash to meet its operating needs. Any short term cash requirements would be met by the group.

Remmers (UK) Limited

Directors' report for the year ended 31 December 2017 (continued)

Financial risk management (continued)

Exchange Rate Risk

The company purchases products for resale from its parent company in British Pounds at a daily floating exchange rate, thereby exposing it to exchange rate risk. The company closely monitors the cost of products in order to assess the impact of exchange rate fluctuations on profitability.

Credit Risk

All customers that wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and provision is made for doubtful debts where necessary.

Dividends

No dividends were proposed or paid during the year (2016: £nil)

Qualifying Third Party Indemnity Provisions

The parent company had indemnity provisions in place for the two statutory directors during the year and at the date of approval of the directors' report.

Directors

The directors of the company who were in office during the year and up to the date of signing the financial statements, unless otherwise stated, were:

Steve Dunn

Tim Shepherd

Statement of directors' responsibilities in respect of the financial statements

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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 102, 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

Remmers (UK) Limited

Directors' report for the year ended 31 December 2017 (continued)

Statement of directors' responsibilities (continued)

- 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 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.

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.

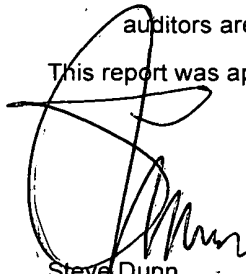
Statement of disclosure of information to auditors

Directors' confirmations

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.

This report was approved on behalf of the board on 14th August 2018



Steve Dunn
Director

REMMERS (UK) LIMITED
Company Number 2363352

Remmers (UK) Limited

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

Report on the audit of the financial statements

Opinion

In our opinion, Remmers (UK) Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual report and financial statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2017; the Statement of Income and Retained Earnings for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

Remmers (UK) Limited

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

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 December 2017 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Remmers (UK) Limited

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

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 by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

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 from preparing a strategic report.

We have no exceptions to report arising from this responsibility.



Ian Dudley (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Gatwick
14th August 2018

Remmers (UK) Limited

Statement of Income and Retained Earnings for the year ended 31 December 2017

| | Note | 2017 £ | 2016 £ |
|--|------|------------------|------------------|
| Turnover | 2 | 5,391,464 | 5,439,842 |
| Cost of sales | | (3,425,520) | (3,737,509) |
| Gross profit | | 1,965,944 | 1,702,333 |
| Administrative expenses | | (1,860,603) | (1,722,561) |
| Interest receivable and similar income | | 44 | 669 |
| Profit/(loss) before taxation | 3 | 105,385 | (19,559) |
| Tax on profit/(loss) | 6 | (5,542) | (22,574) |
| Profit/(loss) for the financial year | | 99,843 | (42,133) |
| Profit and loss account as at 1 January | | (507,255) | (465,122) |
| Profit and loss account as at 31 December | | (407,412) | (507,255) |

All results relate to continuing operations.

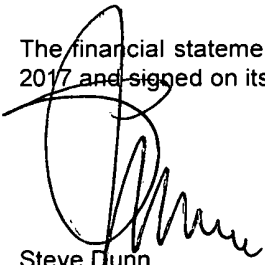
The notes on pages 7 to 23 form part of these financial statements.

Remmers (UK) Limited

Balance Sheet as at 31 December 2017

| | Note | 2017 £ | 2016 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Tangible assets | 7 | 122,810 | 34,688 |
| Current assets | | | |
| Stocks | 8 | 433,885 | 546,719 |
| Debtors | 9 | 1,342,075 | 1,271,747 |
| Cash at bank and in hand | | 424,040 | 418,803 |
| | | 2,200,000 | 2,237,269 |
| Creditors: amounts falling due within one year | 10 | (370,190) | (419,180) |
| Net current assets | | 1,829,810 | 1,818,089 |
| Total assets less current liabilities and net assets | | 1,952,620 | 1,852,777 |
| Capital and reserves | | | |
| Called up share capital | 11 | 2,360,032 | 2,360,032 |
| Profit and loss account | | (407,412) | (507,255) |
| Total shareholders' funds | | 1,952,620 | 1,852,777 |

The financial statements from page 7 to 23 were approved by the Board of Directors on 14th August 2017 and signed on its behalf by:


 Steve Dunn
 Director
 Company number 2363352

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

1 Accounting policies

General information

The Company is a private limited company limited by shares and is incorporated in the United Kingdom. The address of its registered office is Unit B1, The Fleming Centre, Fleming Way, Crawley, West Sussex, RH10 9NN.

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.

Statement of compliance

The financial statements of Remmers (UK) Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006.

Summary of significant accounting policies

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

Basis of preparation

These financial statements have been prepared on a going concern basis, under the historical cost convention in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom.

Going concern

At 31 December 2017, the Company had net current assets and net assets, including cash at bank and in hand of £424,040. The directors believe that preparing the financial statements on the going concern basis is appropriate based on trading and liquidity forecasts and projections that represent the directors' best estimate of the anticipated future performance of the company for a period of at least 12 months from the date of approval of these financial statements.

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

1 Accounting policies (continued)

Exemptions for qualifying entities under FRS 102

FRS 102 allows a qualifying entity certain disclosure exemptions, if certain conditions, have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. A qualifying entity is defined as a member of a group that prepares publicly available financial statements, which give a true and fair view, in which that member is consolidated. Remmers (UK) Limited is a qualifying entity as its results are consolidated into the consolidated financial statements of Remmers AG which are publicly available.

As a qualifying entity, the Company has taken advantage of the following exemptions:

- (i) from the requirement to prepare a statement of cash flows as required by paragraph 3.17(d) of FRS 102;
- (ii) from the requirement to present financial instrument disclosures, as required by FRS 102 paragraphs 11.39 to 11.48A, paragraphs 12.26 and 12.29;
- (iii) from the requirement to present a reconciliation of the number of shares outstanding at the beginning and end of the period as required by paragraph 4.12(a)(iv);
- (iv) from the requirement to disclose the key management personnel compensation in total as required by FRS 102 paragraph 33.7.

Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and is recognised on despatch when the right to consideration has been earned.

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

1 Accounting policies (continued)

Tangible assets and depreciation

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses. 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.

Tangible assets are derecognised on disposal or when no future economic benefits are expected. On disposal, the difference between the net disposal proceeds and the carrying amount is recognised in the income statement and included within the operating profit.

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful lives. It is calculated on a straight-line basis over the following period:

| | |
|---|--------------------------------|
| Plant, machinery and computer equipment | 10%, 20% and 30% straight line |
|---|--------------------------------|

The assets' residual values and useful lives are reviewed, and adjusted, if appropriate, at the end of each reporting period. The effect of any change is accounted for prospectively.

Subsequent costs, including major inspections, are included in the assets carrying amount or recognised as a separate asset, as appropriate, only when it is probable that economic benefits associated with the item will flow to the company and the cost can be measured reliably.

The carrying amount of any replaced component is derecognised. Major components are treated as a separate asset where they have significantly different patterns of consumption of economic benefits and are depreciated separately over its useful life.

Repairs, maintenance and minor inspection costs are expensed as incurred.

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

1 Accounting policies (continued)

Impairment of non-financial assets

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future pre-tax and interest cash flows obtainable as a result of the asset's (or asset's cash generating unit) continued use. The pre-tax and interest cash flows are discounted using a pre-tax discount rate that represents the current market risk free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the income statement, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of income and retained earnings.

Operating leases

(i) Operating leased assets

Leases that do not transfer all the risks and rewards of ownership are classified as operating leases. Payments under operating leases are charged to the statement of income and retained earnings on a straight-line basis over the period of the lease.

(ii) Lease incentives

Incentives received to enter into an operating lease are credited to the statement of income and retained earnings, to reduce the lease expense, on a straight-line basis over the period of the lease.

The Company has taken advantage of the exemption under paragraph 35.10(p) of FRS 102 in respect of lease incentives on leases in existence on the date of transition to FRS 102 and continues to credit such lease incentives to the statement of income and retained earnings over the period to the first review date on which the rent is adjusted to market rates.

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

1 Accounting policies (continued)

Financial instruments

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

(a) Financial assets

Basic financial assets, including debtors and cash and bank balances, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in the statement of income and retained earnings immediately.

If there is decrease in the impairment loss arising from an event occurring after the impairment was recognised the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the statement of income and retained earnings immediately.

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(b) Financial liabilities

Basic financial liabilities, including trade creditors, are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

1 Accounting policies (continued)

Financial instruments (continued)

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade creditors are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(c) Offsetting

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle to liability simultaneously.

Stocks

Stocks are valued on a weighted average basis and are stated in the balance sheet at the lower of cost and estimated selling price less cost to complete and sell. Stocks are recognised as an expense in the period in which the related turnover is recognised. Cost includes the purchase price, including taxes and duties and transport and handling directly attributable to bringing the inventory to its present location and condition.

Where appropriate a provision has been made for devaluation of slow moving and obsolete stock.

Taxation

Taxation expense for the period comprises current and deferred tax recognised in the reporting period.

Current or deferred taxation assets and liabilities are not discounted.

(i) Current tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(ii) Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

1 Accounting policies (continued)

(ii) Deferred taxation (continued)

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and other amounts from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

Foreign currencies

(i) Functional and presentation currency

The Company's functional and presentation currency is pound sterling.

(ii) Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of income and retained earnings.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the statement of income and retained earnings.

Employee benefits

The Company provides a range of benefits to employees, including defined contribution pension plans and holiday pay.

(i) Short term benefits

Short-term employee benefits such as salaries and compensated absence are recognised as an expense in the year employees render services to the company. A liability is recognised at each balance sheet date to the extent that employee holiday allowance has been accrued but not taken, the expense being recognised as staff costs in the income statement.

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

1 Accounting policies (continued)

Employee benefits (continued)

(ii) Pension contributions

The Company operates a defined contribution pension scheme. Contributions are charged to the statement of income and retained earnings as they become payable in accordance with the rules of the scheme.

Critical judgements and estimates in applying the accounting policies

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the property plant and equipment, and the accounting policies note for the useful economic lives for each class of assets.

(ii) Inventory provisioning

The company imports and distributes construction chemicals and is subject to changing consumer demands and varying durability of products. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods.

(iii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 9 for the net carrying amount of the debtors and associated impairment provision

Estimates and underlying assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are reasonable under the circumstances. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

2 Turnover

Remmers (UK) Limited's customer base is within the United Kingdom and Ireland. Geographical analysis of turnover by destination - United Kingdom 85% (2016: 85%), Republic of Ireland 15% (2016: 15%). Turnover represents sale of goods.

3 Profit/(loss) before taxation

| | 2017 | 2016 |
|---|---------|----------|
| | £ | £ |
| This is stated after charging/(crediting): | | |
| Depreciation of owned fixed assets | 13,997 | 11,503 |
| Wages & salaries | 863,750 | 742,588 |
| Social security costs | 111,836 | 101,653 |
| Staff pension costs | 45,015 | 36,433 |
| Foreign exchange differences | 3,078 | (13,690) |
| Operating lease charges | 182,342 | 177,095 |
| Loss on disposal of tangible asset | 7,907 | - |
| Auditors' remuneration – for audit services | 15,200 | 14,075 |
| – for other services | 5,750 | 2,950 |

4 Directors' Emoluments

| | 2017 | 2016 |
|--|----------------|----------------|
| | £ | £ |
| The directors' emoluments were as follows: | | |
| Aggregate emoluments | 192,128 | 193,186 |
| Pensions | 7,118 | 6,979 |
| | <u>199,246</u> | <u>200,165</u> |

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

4 Directors' Emoluments (continued)

| | 2017 | 2016 |
|---|----------------|----------------|
| | £ | £ |
| The highest paid directors' emoluments were as follows: | | |
| Aggregate emoluments | 110,511 | 113,087 |
| Pensions | 4,077 | 3,998 |
| | <u>114,588</u> | <u>117,085</u> |

5 Employees

| | 2017 | 2016 |
|--|-----------|-----------|
| | Number | Number |
| The average monthly number of employees (including directors) employed by the company during the year was: | | |
| Selling and distribution | 8 | 8 |
| Administration | 14 | 13 |
| | <u>22</u> | <u>21</u> |

6 Tax on profit/(loss)

| | 2017 | 2016 |
|---|--------------|---------------|
| | £ | £ |
| Current tax: | | |
| UK Corporation tax on profits/(losses) for the year | 8 | 134 |
| Adjustment in respect of prior periods | - | - |
| Total current tax | <u>8</u> | <u>134</u> |
| Deferred tax: | | |
| Origination and reversal of timing differences | 6,267 | 17,126 |
| Impact of change in tax rate | (733) | 5,314 |
| Total deferred tax | <u>5,534</u> | <u>22,440</u> |
| Tax on profit /(loss) | <u>5,542</u> | <u>22,574</u> |

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

6 Tax on profit/(loss) (continued)

Reconciliation of the tax charge

Tax assessed for the year is lower (2016: lower) than the standard rate of corporation tax in the UK for the year ended 31 December 2017 of 19.25% (2016: 20.00%). The differences are explained below:

| | 2017 £ | 2016 £ |
|---|-----------|-----------|
| Profit/(loss) on ordinary activities before taxation | 105,385 | (19,559) |
| Profit/(loss) before taxation multiplied by the standard rate of tax in the UK of 19.25% (2016: 20.00%) | 20,287 | (3,912) |
| Effects of: | | |
| Unrecognised deferred tax | (20,846) | 9,669 |
| Expenses not deductible for tax purposes | 6,834 | 5,522 |
| Adjustment to tax charge in respect of prior years | - | 5,980 |
| Re-measurement of deferred tax – change in the tax rate | (733) | 5,314 |
| Total tax charge for the year | 5,542 | 22,574 |

Reconciliation of the deferred tax

| | 2017 £ | 2016 £ |
|-----------------------------------|-----------|-----------|
| Balance at beginning of period | (30,114) | (52,554) |
| Impact of rate change | (733) | 5,314 |
| Utilisation of deferred tax asset | 6,267 | 17,126 |
| Balance at the end of the period | (24,580) | (30,114) |

All recognised deferred tax relates to prior year losses. There is other retained unrecognized deferred tax relating to accelerated capital allowances and provisions of £60,741 (2016 : £76,523)

The deferred tax asset has arisen on carried forward tax losses as the directors believe it more likely than not that there will be suitable future taxable profits against which to recover carried forward tax losses.

Factors affecting the future tax charge

Changes to the UK corporation tax rates were substantially enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 19% from 1 April 2017 and to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted rates and reflected in these financial statements.

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

7 Tangible assets

| | Plant and machinery and computer equipment £ | Total £ |
|---------------------------------|---|----------------|
| Cost | | |
| At 1 January 2017 | 85,647 | 85,647 |
| Additions | 110,027 | 110,027 |
| Disposals | (14,665) | (14,665) |
| At 31 December 2017 | 181,009 | 181,009 |
| Accumulated depreciation | | |
| At 1 January 2017 | 50,959 | 50,959 |
| Disposals | (6,757) | (6,757) |
| Charge for the year | 13,997 | 13,997 |
| At 31 December 2017 | 58,199 | 58,199 |
| Net book amount | | |
| At 31 December 2017 | 122,810 | 122,810 |
| At 31 December 2016 | 34,688 | 34,688 |

8 Stocks

| | 2017 £ | 2016 £ |
|------------------|----------------|-----------|
| Goods for resale | 433,885 | 546,719 |

The amount of stocks recognised as an expense during the year is £3,078,032 (2016: £3,377,783)

There is no difference between the replacement cost of the stocks and its carrying amount.

Stock is stated after provision of £87,027 (2016: £106,035)

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

9 Debtors

| | 2017 | 2016 |
|------------------------------------|------------------|------------------|
| | £ | £ |
| Trade debtors | 1,137,480 | 1,061,282 |
| Amounts owed by group undertakings | 128,247 | 137,192 |
| Deferred tax asset | 24,580 | 30,114 |
| Prepayments and accrued income | 51,768 | 43,159 |
| | <u>1,342,075</u> | <u>1,271,747</u> |

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

Trade debtors are stated after allowances for bad & doubtful debts of £103,974 (2016: £89,978)

10 Creditors: amounts falling due within one year

| | 2017 | 2016 |
|------------------------------|----------------|----------------|
| | £ | £ |
| Trade creditors | 109,693 | 138,560 |
| Taxation | 163,346 | 186,983 |
| Social security | 35,634 | 33,278 |
| Accruals and deferred income | 61,517 | 60,359 |
| | <u>370,190</u> | <u>419,180</u> |

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

11 Called up share capital

| | 2017 Number | 2016 Number | 2017 £ | 2016 £ |
|---|------------------|------------------|------------------|------------------|
| Allotted, issued and fully paid: | | | | |
| Ordinary shares of £1 each | 2,360,000 | 2,360,000 | 2,360,000 | 2,360,000 |
| Class B shares of £0.0001 each | 321,819 | 321,819 | 32 | 32 |
| | 2,681,819 | 2,681,819 | 2,360,032 | 2,360,032 |

The B shares have no voting rights, no right to dividends and no rights on winding up.

12 Contingent liabilities

Materials sold by the company carry insurance-backed warranties with a maximum liability of Euros 5,000,000 (2016: Euros 5,000,000) on any single claim or series of claims based on any single occurrence and an overriding maximum of Euros 10,000,000 (2016: Euros 10,000,000) in any one period of insurance. At the date of the financial statements there were no outstanding claims against the warranties.

13 Financial commitments

At 31 December the Company had the following future minimum lease payments under non-cancellable operating leases expiring as follows:

| Payments due | 2017 Rent £ | 2017 Other £ | 2016 Rent £ | 2016 Other £ |
|---|-------------------|--------------------|-------------------|--------------------|
| (i) not later than one year; | 95,000 | 60,936 | 95,000 | 59,091 |
| (ii) later than one year and not later than five years; and | 118,750 | 21,412 | 213,750 | 67,948 |
| (iii) later than five years; | - | - | - | - |
| | 213,750 | 82,348 | 308,750 | 127,039 |

Remmers (UK) Limited

Notes to the financial statements for the year ended 31 December 2017

14 Related parties

The company has taken advantage of the exemption under Section 33.1A of FRS 102 from disclosing transactions with wholly owned group companies. There were no other related party transactions during the year (2016: None).

15 Controlling party

Throughout this and the previous year the company was under the control of its parent company, Remmers AG, registered in Germany. Remmers AG is the ultimate parent company and controlling party of the group. The consolidated financial statements of this company are available to the public and may be obtained from the group whose registered address is Bernhard Remmers-Strasse 13, PO Box 1255, Loning, Germany. No other group financial statements include the results of the company.