

ACETATE PRODUCTS LIMITED

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2019**

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ACETATE PRODUCTS LIMITED

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ACETATE PRODUCTS LIMITED

COMPANY INFORMATION

DIRECTORS

AS Poulsom
P Shanley
JHH Smitsmans

REGISTERED NUMBER

00217201

REGISTERED OFFICE

Third Floor
One London Square
Cross Lanes
Guildford
Surrey
GU1 1UN

INDEPENDENT AUDITORS

RSM UK Audit LLP
Suite A, 7th floor
City Gate East
Tollhouse Hill
Nottingham
NG1 5FS

ACETATE PRODUCTS LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2019

The directors present their annual report and the audited financial statements of Acetate Products Limited (the "Company") for the year ended 31 December 2019.

PRINCIPAL ACTIVITIES

The principal activity of the Company was that of a property development business. The last parcels of land have now been sold. However, the Company continues to manage and settle its ongoing responsibilities and obligations relating to the disposal and closure of former businesses.

DIRECTORS

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

AS Poulsom
P Shanley
JHH Smitsmans

THIRD PARTY INDEMNITY PROVISION FOR DIRECTORS

The Company has in place qualifying third party indemnity provisions for the benefit of the directors.

DIRECTORS' RESPONSIBILITIES STATEMENT

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 prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). Under company law the directors must not approve the financial statements unless 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;
- 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.

DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information of which the Company's auditor is unaware. Additionally, the directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditor is aware of that information.

ACETATE PRODUCTS LIMITED

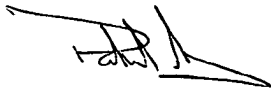
**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

INDEPENDENT AUDITORS

The auditors, RSM UK Audit LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small company exemptions.

On behalf of the board

A handwritten signature in black ink, appearing to read 'P Shanley', with a long horizontal stroke extending to the right.

P Shanley
Director
18 August 2020

ACETATE PRODUCTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACETATE PRODUCTS LIMITED

Opinion

We have audited the financial statements of Acetate Products Limited (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- 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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

ACETATE PRODUCTS LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ACETATE PRODUCTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors 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.

Auditor's 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 auditor's 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 Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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.

RSM UK Audit LLP

Neil Stephenson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Suite A, 7th floor
City Gate East
Tollhouse Hill
Nottingham
NG1 5FS
18 August 2020

ACETATE PRODUCTS LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Turnover		-	2,209
Cost of sales		-	(11)
Gross profit		-	2,198
Administrative expenses		(87)	(466)
Operating (loss)/profit	4	(87)	1,732
Interest receivable and similar income		-	-
(Loss)/profit on ordinary activities before taxation		(87)	1,732
Taxation	8	-	-
(Loss)/profit for the financial year		(87)	1,732

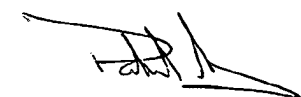
The notes on pages 9 to 14 form part of these financial statements.

ACETATE PRODUCTS LIMITED**REGISTERED NUMBER:00217201****STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019**

	Note	2019 £000	2018 £000
Current assets			
Debtors	10	806	833
Cash at bank and in hand		865	968
		<u>1,671</u>	<u>1,801</u>
Creditors: amounts falling due within one year	11	(17)	(38)
Net current assets		<u>1,654</u>	<u>1,763</u>
Total assets less current liabilities		<u>1,654</u>	<u>1,763</u>
Provisions for liabilities	13	(1,178)	(1,200)
Net assets		<u>476</u>	<u>563</u>
Capital and reserves			
Called up share capital	14	1	1
Profit and loss account		475	562
Total shareholders' funds		<u>476</u>	<u>563</u>

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

The financial statements on pages 6 to 14 were approved by the board of directors and authorised for issue on 18 August 2020 and are signed on its behalf by:



P Shanley
Director

The notes on pages 9 to 14 form part of these financial statements.

ACETATE PRODUCTS LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called-up share capital	Profit and loss account	Total shareholders' funds
	£000	£000	£000
At 1 January 2019	1	562	563
Loss for the financial year	-	(87)	(87)
Total comprehensive income for the year	-	(87)	(87)
At 31 December 2019	1	475	476

FOR THE YEAR ENDED 31 DECEMBER 2018

	Called-up share capital	Profit and loss account	Total shareholders' funds
	£000	£000	£000
At 1 January 2018	1	830	831
Profit for the financial year	-	1,732	1,732
Total comprehensive income for the year	-	1,732	1,732
Transactions with owners:			
Dividends (note 9)	-	(2,000)	(2,000)
Total transactions with owners	-	(2,000)	(2,000)
At 31 December 2018	1	562	563

ACETATE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1. GENERAL INFORMATION

Acetate Products Limited (the "Company") was a property development company based in the UK. The Company continues to manage and settle its ongoing responsibilities and obligations relating to the disposal and closure of former businesses.

The Company is a private company limited by shares and is incorporated and domiciled in England. The address of its registered office is Third Floor, One London Square, Cross Lanes, Guildford, Surrey, GU1 1UN.

2. STATEMENT OF COMPLIANCE

The individual financial statements of Acetate Products Limited have been prepared in accordance with FRS 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than when additional disclosure is required to show a true and fair view.

3. ACCOUNTING POLICIES

3.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and on a going concern basis, which assumes that the Company will continue in operational existence for the foreseeable future, and for at least 12 months from the date these financial statements are approved. As part of the Company's going concern review, the Directors have reviewed the cost and cash forecasts produced regarding the management and settlement of its ongoing responsibilities and obligations relating to the disposal or closure of former businesses and it is considered adequate funding will be available. Therefore, the Directors believe the going concern basis is the most appropriate basis on which to prepare the financial statements.

The financial statements are prepared in Sterling, which is the functional currency of the Company. Monetary amounts in these financial statements are rounded to the nearest £000.

The following principal accounting policies have been applied consistently throughout the year:

3.2 TURNOVER

Turnover, which excludes value added tax, includes income from property sales, representing the amount receivable at the date a contract for sale becomes unconditional. It also includes rental income which is recognised on a straight-line basis over the period of the lease.

3.3 OPERATING LEASES

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the period of the lease.

3.4 DEBTORS

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

3.5 CASH AT BANK AND IN HAND

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

ACETATE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES (continued)

3.6 FINANCIAL INSTRUMENTS

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the statement of financial position 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 the liability simultaneously.

3.7 CREDITORS

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

3.8 FOREIGN CURRENCY TRANSLATION

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 and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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 Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

ACETATE PRODUCTS LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

3. ACCOUNTING POLICIES (continued)

3.9 INTEREST INCOME

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

3.10 PROVISIONS FOR LIABILITIES

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

3.11 DIVIDENDS

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3.12 EMPLOYEE BENEFITS

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

The cost of any unused holiday entitlement is recognised in the period in which employee's services are received.

Termination benefits are recognised immediately as an expense when the Company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

3.13 TAXATION

Tax is recognised in the Statement of Comprehensive Income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

ACETATE PRODUCTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****4. OPERATING (LOSS)/PROFIT**

The operating (loss)/profit is stated after charging/(crediting):

	2019 £000	2018 £000
Rental income	<u>-</u>	<u>(16)</u>

5. AUDITORS' REMUNERATION

	2019 £000	2018 £000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<u>9</u>	<u>11</u>

6. EMPLOYEES

The average monthly number of employees, including the directors, during the year was as follows:

	2019 Number	2018 Number
Administration	<u>4</u>	<u>5</u>

7. DIRECTORS' REMUNERATION

	2019 £'000	2018 £'000
Aggregate directors' emoluments	<u>28</u>	<u>43</u>

Included in directors' emoluments above is £25,000 (2018: £36,000) recharged to other group companies.

8. TAXATION

	2019 £'000	2018 £'000
Corporation tax		
Current tax for the financial year	<u>-</u>	<u>-</u>

9. DIVIDENDS

	2019 £'000	2018 £'000
Dividends paid equivalent to £nil (2018: £2,000 per £1 share)	<u>-</u>	<u>2,000</u>

ACETATE PRODUCTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****10. DEBTORS**

	2019	2018
	£000	£000
Loan owed by holding company	750	750
Other amounts owed by holding company	53	80
Prepayments and accrued income	1	1
Other taxation and social security	2	2
	<u>806</u>	<u>833</u>

The loan owed by the Company's holding company, Acordis Beheer BV, is subject to a variable interest rate set by ING in the Netherlands and the repayment date was extended to 31 December 2021 after the year end. The other amounts owed by Acordis Beheer BV are unsecured, interest free and repayable on demand.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£000	£000
Other taxation and social security	5	9
Accruals and deferred income	12	29
	<u>17</u>	<u>38</u>

12. DEFERRED TAXATION

No deferred tax asset has been recognised in the financial statements.

There is an unrecognised deferred tax asset of £206,000 (2018: £214,000) in respect of unutilised trading losses of £1,209,000 (2018: £1,126,000) which could be utilised against future profits of the Company. In addition, no deferred tax asset has been recognised in respect of capital losses of £2,371,000 (2018: £2,371,000).

ACETATE PRODUCTS LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019****13. PROVISIONS FOR LIABILITIES**

	Closed business provision £000
At 1 January 2019	1,200
Utilised in year	(22)
At 31 December 2019	1,178

The provision relates to the expected cost of the Company's obligations in relation to former business activities including the remediation of land at Spondon sold to Celanese Corporation on 31 January 2007.

A substantial proportion of the provision is expected to be utilised in the next two years.

14. CALLED UP SHARE CAPITAL

	2019 £000	2018 £000
ALLOTTED, CALLED UP AND FULLY PAID		
1,000 ordinary shares of £1 each	<u>1</u>	<u>1</u>

15. CONTROLLING PARTY

Acetate Products Limited is a wholly owned subsidiary of Acordis Beheer BV, which is a wholly owned subsidiary undertaking of Acordis Holding BV. Both companies are incorporated in the Netherlands.

Acordis Holding BV, is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of the consolidated financial statements of Acordis Holding BV are available from the Company Secretary, Nude 37A – Unit 5, 6702 DK Wageningen, PO Box 9600, Arnhem 6800TC, The Netherlands.