

Company Registration No. 00408017 (England and Wales)

**La Seda UK Ltd**

**Annual report and financial statements  
for the period ended 31 March 2019**

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## La Seda UK Ltd

### Company information

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<b>Directors</b>	Jóse Vicente Estrada Esteban Maria Luisa Castrillo (Appointed 20 November 2018)
<b>Secretary</b>	Jóse Vicente Estrada Esteban
<b>Company number</b>	00408017
<b>Registered office</b>	Ellice Way Wrexham Technology Park Wrexham Clwyd LL13 7YL
<b>Independent auditor</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors No.1 1 Hardman Street Manchester M3 3EB

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## **La Seda UK Ltd**

### **Directors' report**

**For the period ended 31 March 2019**

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The directors present their annual report and audited financial statements for the period ended 31 March 2019.

#### **Principal activities**

Until 30 June 2015, the Company's principal activity was the provision of packaging solutions to a wide variety of industry sectors within the UK. The Company manufactured rigid plastic polyethylene terephthalate (PET) preforms, bottles and other containers for use in the beverage sector (carbonated soft drinks, mineral water and juice) as well as for food, personal care, healthcare and household chemical applications.

On 1 July 2015, the Company sold all its business assets, as well as its creditors, including pre-insolvent creditors and current trade payables, employee obligations, working capital to Plastipak UK, Ltd, a newly created company by Plastipak Holdings, Inc, the buyer of the Pan-European Packaging Division which La Seda UK Ltd formed part of.

#### **Directors**

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

Jóse Vicente Estrada Esteban

Maria Luisa Castrillo

(Appointed 20 November 2018)

#### **Results and dividends**

The director is unable to declare a dividend.

#### **Research and development**

Up to the transfer of the business on 1 July 2015, the primary aims of our research and development work were to improve the packaging and process technologies from both economic and environmental points of view. Improved technology helped us to continue meeting the expectations of our customers and end users.

#### **Future developments**

Following the sale of all of the business assets to Plastipak, as from 1 July 2015, the company has ceased trading and its activity has been focused on the administrative tasks related to the transfer of assets to ensure compliance with local tax and company laws. These tasks are nearing completion, as the company has liquidated all its assets and settled all its liabilities during the period ended 31 March 2019. It is the intention of the directors to dissolve the company within the next financial year.

#### **Independent Auditors**

PricewaterhouseCoopers LLP have expressed their willingness to continue in office.

**La Seda UK Ltd**

**Directors' report (continued)**

**For the period ended 31 March 2019**

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**Statement of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually 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 auditors are aware of that information.

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

On behalf of the board

A handwritten signature in black ink, consisting of a large, stylized 'J' followed by 'Vicente Estrada Esteban'.

.....  
**José Vicente Estrada Esteban**  
**Director**

Date: 26 July 2019

**Statement of director's responsibilities**

**For the period ended 31 March 2019**

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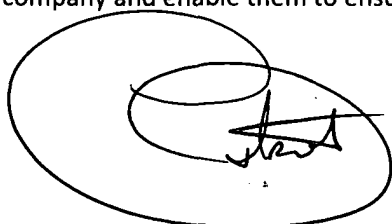
The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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" Section 1A, and applicable law). Under company law the director 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 director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, 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
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 director is 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.



# ***Independent auditors' report to the members of La Seda UK Ltd***

## **Report on the audit of the financial statements**

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### **Opinion**

In our opinion, La Seda UK Ltd's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit for the 15 month period (the "period") 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" Section 1A, 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 statement of financial position as at 31 March 2019; the income statement, the statement of changes in equity for the 15 month period then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

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### **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.

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### **Emphasis of matter - financial statements prepared on a basis other than going concern**

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1.2 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

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### **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 this 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 period ended 31 March 2019 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.

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## **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, 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.

### *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](http://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.

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## **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.

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### **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: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



Edward Moss (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Manchester  
26 July 2019

**La Seda UK Ltd**

**Income statement**

**For the period ended 31 March 2019**

		<b>Period ended 31 March 2019 £'000</b>	<b>Year ended 31 December 2017 £'000</b>
	<b>Notes</b>		
Administrative expenses		(2,544)	(4,503)
Other operating income		-	418
Exceptional income	<b>2</b>	50,276	-
Exceptional costs	<b>2</b>	(270)	-
<b>Operating profit/(loss)</b>		<b>47,462</b>	<b>(4,085)</b>
Investment income	<b>4</b>	1,276	1,163
Finance costs	<b>5</b>	(814)	(891)
<b>Profit/(loss) before taxation</b>		<b>47,924</b>	<b>(3,813)</b>
Tax on profit/(loss)		-	-
<b>Profit/(loss) for the financial period</b>		<b>47,924</b>	<b>(3,813)</b>

**La Seda UK Ltd**

**Statement of financial position**

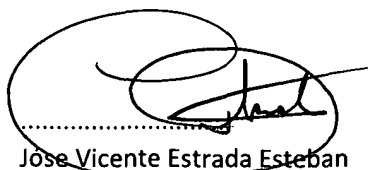
**As at 31 March 2019**

	Notes	2019 £'000	2017 £'000
<b>Current assets</b>			
Trade and other receivables	6	-	2,082
Cash at bank and in hand		-	3,802
		<u>-</u>	<u>5,884</u>
<b>Current liabilities</b>	7	-	(50,017)
<b>Provisions for liabilities</b>	8	-	(3,791)
<b>Net assets/(liabilities)</b>		<u>-</u>	<u>(47,924)</u>
<b>Equity</b>			
Called up share capital	9	7,000	7,000
Share premium account	10	8,500	8,500
Accumulated losses	11	(15,500)	(63,424)
<b>Total equity</b>		<u>-</u>	<u>(47,924)</u>

The notes to the financial statements on pages 9 to 18 are an integral part of these financial statements.

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 18 were approved by the board of directors and authorised for issue on 26 July 2019 and are signed on its behalf by:



Jose Vicente Estrada Esteban  
Director

Company Registration No. 00408017

**La Seda UK Ltd**

**Statement of changes in equity**

**For the period ended 31 March 2019**

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	<b>Share capital</b>	<b>Share premium account</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Balance at 1 January 2017</b>	7,000	8,500	(59,611)	(44,111)
<b>Period ended 31 December 2017:</b>				
Loss for the year	-	-	(3,813)	(3,813)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2017</b>	7,000	8,500	(63,424)	(47,924)
<b>Period ended 31 March 2019:</b>				
Profit for the period	-	-	47,924	47,924
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2019</b>	<u>7,000</u>	<u>8,500</u>	<u>(15,500)</u>	<u>-</u>

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**1 Accounting policies**

**Company information**

La Seda UK Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Ellice Way, Wrexham Technology Park, Wrexham, Clwyd, LL13 7YL.

**1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and 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 where additional disclosure is required to show a true and fair view.

The financial statements are prepared in UK sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

**1 Accounting policies (continued)**

**1.2 Going concern**

**Background**

On 11 August 2010 La Seda UK Ltd (formerly APPE U.K. Ltd) acted as joint guarantor in favour of La Seda de Barcelona, S.A., "en liquidación", its Parent Company ("the Parent Company" or "LSB") in the Senior Facility Agreement (SFA and PIK loans) granted to the latter by several lenders forming the Syndicate loan. The principal amount signed with Deutsche Bank amounted to Eur 428,667,000.

**Insolvency Proceedings**

On 17 June 2013, after several unsuccessful attempts to restructure the Syndicate loan, the Parent Company filed for voluntary insolvency proceedings. In order to block all attempts to enforce the guarantee by the lenders, the Parent Company took advantage of EC Regulations (EC 1346/2000) that allow for a declaration of voluntary insolvency at the level of all the subsidiaries located in the European Union territory.

The Insolvency Proceedings of LSB and 12 of its subsidiaries, including the La Seda UK Ltd was approved by the Mercantile Court of Barcelona Number 1 on 4 July 2013 by means of the Court Order 434/2013.

On 3 January 2014, after failing to reach an agreement with the creditors, the Parent Company's Board of Directors filed for the LSB's liquidation in the same Mercantile Court of Barcelona who approved the application on 30 January 2014. The same Court resolution ordered the cessation of the Parent Company's Board of Directors' functions as well as the Executive Committee's functions and these were replaced by Forest Partners, the Insolvency Administrators.

**Sale of the Pan-European Production Unit**

The Parent Company's Liquidation Plan was submitted to the Court on 4 March 2014 and was approved on 29 July 2014 and contemplated the sale of the entire Packaging Division (APPE). The Division consisted of the following companies. LSB Iberia, S.A.U. (formerly APPE Iberia, S.A.U.), LSB France, S.A.S., (formerly APPE France, S.A.S.), La Seda UK Ltd (formerly APPE U.K. Ltd), APPE Deutschland, GmbH and La Seda Benelux, NV (formerly APPE Benelux, NV), all of them under liquidation within the framework of the Insolvency Proceedings, as well as APPE Polska, Sp. z o.o., APPE Turckpack, A.Ş., APPE Maroc, S.A.R.L.A.U. (subsidiary of LSB Iberia, S.A.U.) and APPE Nordic AB (subsidiary of La Seda UK Ltd).

The Parent Company's Liquidation Plan contemplated as a first option, the sale of the Division by the transfer of the shareholdings as one pan-european production unit, by means of an international, public, competitive and transparent sale process that will maximize the sales value of the Division for a minimum price ("equity value") of 229 million euro. The sale requires the release of the guarantee granted by most of the companies ("waiver") but this waiver was not granted by the lenders of the Syndicated loan.

**1 Accounting policies (continued)**

The Court was informed about the failure to obtain the waiver and under these circumstances, the Insolvency Administration considered the second option in the Liquidation Plan which is to proceed with the joint sale of the production units as a group in a single transaction, of all the companies under Insolvency Proceedings (LSB Iberia, S.A.U.; LSB France, S.A.S.; La Seda UK Ltd; APPE Deutschland, GmbH; y La Seda Benelux, N.V.), the sale of the shares of APPE Polska, Sp.zo.o and the shareholdings of the companies not included in the Insolvency Proceedings (APPE Maroc, S.A.R.L.A.U., APPE Turkpack, A.Ş. and APPE Nordic AB), as well as the intellectual property rights owned by the Parent Company. The Court approved the asset sale on 29 July 2014.

On 13 October 2014 at the joint request of the Insolvency Administration and each of the Management Board of the companies, the Court issued an Order approving the suspension of the management powers of the Directors of LSB France, S.A.S., La Seda UK Ltd, APPE Deutschland, GmbH, La Seda Benelux, N.V., LSB Iberia, S.A.U. y APPE Polska, Sp.z.o.o. This action was done in order to guarantee the success of the sale of the Division, allowing the Insolvency Administration to directly negotiate and execute the sale, under the terms authorised by the Court.

Following the procedures established in the rules governing the process of the competitive sale, the Insolvency Administration selected three candidates for the second round of improved offers and candidate selected was Plastipak Holdings Inc. who offered the highest bid in terms of price for the Pan-European Packaging Division. Plastipak Holdings, Inc. offered 327,900 thousand euros after assigning a value to the business and assets of the Division amounting to 360,000 thousand euros and deducting certain assumed financial debt, pension and labour obligations. The offer also includes the voluntary assumption of all other claims against the estate relating to trade payables, labour, public and tax authorities, working capital requirements which will finally be deducted from the aforementioned price.

On 26 January 2015 the Mercantile Court of Barcelona issued an Order authorizing the sale of the Packaging Division to Plastipak Holdings, Inc. Several creditors appealed for reversal against the Court's decision. On 4 March and 10 April 2015, the Court dismissed the appeals made by the creditors who then launched a protest against the Court's ruling.

On 31 March 2015, the Master Share and Asset Purchase Agreement ("SPA") of the business assets of the Packaging Division was signed with the previously selected bidder, Plastipak BAWT, S.a.r.l, subsidiary of Plastipak Holding, Inc. The SPA was signed subject to conditions precedents, the most relevant one being the authorization by the European authorities on market competition. Once the conditions precedents were complied with, on 1 July 2015, the sale and purchase contracts specific to each company and territory were signed thereby making the transfer of the sale / shares effective.

On 24 December 2015, the Completion accounts were signed and the final price was agreed, after deducting the insolvent debts and credit against the estate which have been voluntarily assumed by the buyer, and the amounts were deposited in each of the company's bank accounts.

**Notes to the financial statements (continued)**

**For the period ended 31 March 2019**

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**1 Accounting policies (continued)**

For La Seda UK Ltd the total consideration for the business assets comprising of property, plant and equipment, trade and other receivables, inventories, trade and other payables as well as liabilities for pensions amounted to £53,694,000 and was satisfied by cash. The gain on disposal recognized in the profit and loss account in the prior year amounted to £15,440,000.

**Opening of the Liquidation and dissolution phase of the Company**

On 15 September 2015, after having completed the sale and transfer of the business assets, the Insolvency Administrators applied for the opening of the liquidation procedures of the Company. This was approved by the Mercantile Court on 16 October 2015 which also approved the company's dissolution.

On 19 November 2015, the mandatory Liquidation Plan was presented to the Court which was approved by means of a Court Order on 4 March 2016.

On 16 October 2018, the Court authorised the waiver of intercompany loan balances between the Company and the group companies. In addition on 28 March 2019, the Court issued an Order to release the group companies from their rights to collect the trade payable balances from the Company.

Due to these factors, in prior years the Directors decided to prepare the financial statements on a basis other than going concern basis and have continued this policy for the current year and hence these financial statements are prepared on a basis other than going concern basis.

**1.3 Reporting period**

The financial statements have been prepared for the reporting period from 1 January 2018 to 31 March 2019. The comparative figures relate to the year ended 31 December 2017.

**1.4 Cash and cash equivalents**

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

**1.5 Financial instruments**

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

**1 Accounting policies (continued)**

***Basic financial assets***

Basic financial assets, which include trade and other receivables, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method 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. Financial assets classified as receivable within one year are not amortised.

***Classification of financial liabilities***

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

***Basic financial liabilities***

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

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

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

**1.6 Equity instruments**

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

**1.7 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

**1 Accounting policies (continued)**

**1.8 Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

**1.9 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

**1.10 Research and development**

Research and development expenditure is written off to the income statement in the year it is incurred.

**1.11 Finance costs**

Financial expenses comprise interest expense on borrowings which is recognised on an accruals basis using the effective interest method.

## Notes to the financial statements (continued)

For the period ended 31 March 2019

**2 Exceptional items**

	Period ended 31 March 2019 £'000	Year ended 31 December 2017 £'000
Syndicated loan liability	270	-
Exceptional income	(50,276)	-

The above costs relates to the company's liability in party to a syndicated loan signed by its parent company in August 2010. The parent company entered into voluntary liquidation which involved the sale of its business units. The total amount of the loan became due and commitments made by the guarantors crystallised 30 January 2014. The estimated amount of the guarantee for each of the parent company guarantors was not determined until late April 2015. In the year ended 31 December 2016 the company obtained a waiver from the lenders of the syndicated loan, limiting the company's obligations as guarantor under the agreements to the maximum amount received out of the liquidation process of the company.

On 14 February 2019 the company revisited the estimated liquidation costs and cash proceeds/payments to group companies and calculated that there was an additional £270k of cash that could be distributed to the creditors (see note 8 for further details).

The above income relates to a debt release of £50,276k between the company, the parent company and fellow subsidiaries. On 3 December 2018 and 29 March 2019 debt release agreements were signed following authorisation from the Mercantile Court of Barcelona amounting to £41,671k and £8,605k, respectively.

**3 Auditors' remuneration**

	Period ended 31 March 2019 £'000	Year ended 31 December 2017 £'000
Fees payable to the company's auditors and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	19	33

## Notes to the financial statements (continued)

For the period ended 31 March 2019

**4 Investment income**

	<b>Period ended 31 March 2019 £'000</b>	<b>Year ended 31 December 2017 £'000</b>
Other interest income	-	33
Interest receivable from group companies	1,276	1,130
Total income	<u>1,276</u>	<u>1,163</u>

**5 Finance costs**

	<b>Period ended 31 March 2019 £'000</b>	<b>Year ended 31 December 2017 £'000</b>
Interest payable to group undertakings	814	874
Other interest	-	17
	<u>814</u>	<u>891</u>

**6 Trade and other receivables**

	<b>2019 £'000</b>	<b>2017 £'000</b>
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	-	2,068
Other receivables	-	14
	<u>-</u>	<u>2,082</u>

**7 Current liabilities**

	<b>2019 £'000</b>	<b>2017 £'000</b>
Amounts owed to group undertakings	-	49,875
Corporation tax	-	6
Other payables	-	136
	<u>-</u>	<u>50,017</u>

## Notes to the financial statements (continued)

For the period ended 31 March 2019

**8 Provisions for liabilities**

	<b>2019</b>	<b>2017</b>
	<b>£'000</b>	<b>£'000</b>
Syndicated loan provision	-	3,791
	<u>          </u>	<u>          </u>
Movements on provisions:		
		<b>Syndicated loan provision £'000</b>
At 1 January 2018		3,791
Additional provisions in the year		270
Exchange difference		(107)
Settlement		(3,954)
		<u>          </u>
At 31 March 2019		-
		<u>          </u>

The company was a joint guarantor for the full amount of the Syndicated Loan signed in 2010 by its parent company, La Seda de Barcelona, S.A., "en liquidación". In year ended 31 December 2015, the Director estimated the company's liability towards this guarantee to be Eur355 million, equivalent to £260 million.

During 2016 the company obtained a waiver from the lenders of the Syndicated Loan, limiting the company's obligations as guarantor under the agreements to the maximum amount received out of the liquidation process of the company and releasing the guarantees granted by the company under the agreements as of the date on which the maximum proceeds are paid amongst the lenders. The company estimated the maximum proceeds to be Eur 70,060,000, equivalent to £59,985,000 as at 31 December 2016, and reduced the provision accordingly.

This amount included an estimate of liquidation costs and cash proceeds from group companies and the cash payments to be made to group companies. As at 14 February 2019, the company had additional cash of £270k which was distributed to all creditors in equal proportion as determined in accordance with Insolvency Laws.

In the current period the company made settlement to the lenders of the Syndicate Loan amounting to £3,954k (2017: £57,418k). With this settlement, the company has fully satisfied its commitment (or fully paid its liabilities) under the guarantee contract.

Notes to the financial statements (continued)

For the period ended 31 March 2019

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<b>9</b>	<b>Called up share capital</b>		
		<b>2019</b>	<b>2017</b>
		<b>£'000</b>	<b>£'000</b>
	<b>Ordinary share capital</b>		
	<b>Issued and fully paid</b>		
	7,000,000 (2017: 7,000,000) Ordinary shares of £1 each	<u>7,000</u>	<u>7,000</u>

The Ordinary shares have no restrictions on the distribution of dividends or repayment of capital.

**10 Share premium account**

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

**11 Accumulated losses**

The accumulated losses represent accumulated comprehensive (expense) / income for the period and prior years, net of dividends and other adjustments.

**12 Related party transactions**

The company participates as a guarantor to the syndicated loan signed by its parent company in 2010. See note 8.

**13 Parent company**

The ultimate parent undertaking and controlling party is La Seda de Barcelona, S.A., "en liquidación" ("LSB"), incorporated in Spain.