

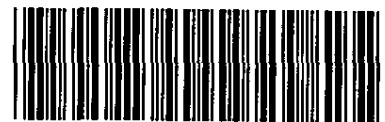
Registered number. 01254437

## **ALFA CHEMICALS LIMITED**

### **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2012**

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**ALFA CHEMICALS LIMITED**

**COMPANY INFORMATION**

**DIRECTORS**

M W Walker  
P V Pisacane (resigned 8 April 2013)  
S Walton

**COMPANY NUMBER**

01254437

**REGISTERED OFFICE**

Arc House  
Terrace Road South  
Binfield  
Bracknell  
Berkshire  
RG42 4PZ

**AUDITOR**

James Cowper LLP  
Chartered Accountants and Statutory Auditor  
3 Wesley Gate  
Queen's Road  
Reading  
Berkshire  
RG1 4AP

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**ALFA CHEMICALS LIMITED**

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## **ALFA CHEMICALS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

The directors present their report and the financial statements for the year ended 31 December 2012

#### **PRINCIPAL ACTIVITIES**

The company's principal activity is the distribution of speciality raw materials from, primarily, overseas principals to the Pharmaceutical, Personal Care and Industrial markets in the UK and Ireland

There have been no changes in the company's activities in the year

#### **REVIEW OF BUSINESS AND FUTURE DEVELOPMENTS**

The company operates in markets which remain highly competitive, but continued to perform well with turnover increasing by 1.6% to £8.78 million. Profit before tax for the year was £1.3 million.

The company remained in a strong financial position at the year end with net current assets of £2.8 million.

There have been no events since the balance sheet date which materially affect the position of the company and the company has continued to trade profitably. The company will continue to develop its key customer and supplier relationships.

#### **RESULTS AND DIVIDENDS**

The profit for the year, after taxation, amounted to £1,026,773 (2011 - £478,273).

Interim dividends of £2.80 per share were paid to ordinary shareholders during the year. A further interim dividend of £2.40 per share was paid to ordinary shareholders on 7 January 2013. The directors do not recommend the payment of a final dividend.

#### **KEY PERFORMANCE INDICATORS**

Turnover, margin and net profit are the main measures used to monitor the performance of the company. Each of these measures has been substantially maintained during the year, as set out in the business review.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The company seeks to manage the risk of losing Principals by the provision of added value services that they would be unable to provide. In addition the company focuses on retaining and increasing its customer base by improving the service to customers by reducing response times in the supply of products and also in the handling of customer queries, while maintaining strong relationships and local representation with key customers.

The main financial risks arising from the company's activities are credit risk, exchange rate and liquidity risk. These are monitored by the board of directors and were not considered to be significant at the balance sheet date.

The company's policy in respect of credit risk is to require appropriate credit checks on potential customers before sales are made and to monitor payments against contractual agreements for existing customers.

The company's policy in respect of exchange rate risk is to maintain bank accounts denominated in Euros and US Dollars to facilitate day to day trading transactions, exposure to movements in exchange rates is mitigated by transferring funds into sterling accounts on a timely basis.

The company's policy in respect of liquidity risk is to maintain readily accessible bank deposit accounts to ensure the company has sufficient funds for operation.

## **ALFA CHEMICALS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2012**

#### **POLITICAL AND CHARITABLE CONTRIBUTIONS**

During the year the company made charitable contributions of £200 (2011 - £1,500) There were no political contributions

#### **DIRECTORS**

The directors who served during the year were

M W Walker  
P V Pisacane  
S Walton

P V Pisacane resigned as a director after 31 December 2012 but prior to the date of this report

#### **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 elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments 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.

#### **PROVISION OF INFORMATION TO AUDITOR**

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditor in connection with preparing its report and to establish that the company's auditor is aware of that information

#### **AUDITOR**

The auditor, James Cowper LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006

**ALFA CHEMICALS LIMITED**

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

This report was approved by the board and signed on its behalf

A handwritten signature in black ink, appearing to be 'M W Walker', written over a dotted line.

**M W Walker  
Director**

Date 10/06/2013

## **ALFA CHEMICALS LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALFA CHEMICALS LIMITED**

We have audited the financial statements of Alfa Chemicals Limited for the year ended 31 December 2012, set out on pages 6 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITOR**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **SCOPE OF THE AUDIT OF THE FINANCIAL STATEMENTS**

A description of the scope of an audit of financial statements is provided on the Auditing Practices Board's website at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **UNQUALIFIED OPINION ON FINANCIAL STATEMENTS**

In our opinion the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2012 and of its profit for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **OPINION ON OTHER MATTER PRESCRIBED BY THE COMPANIES ACT 2006**

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

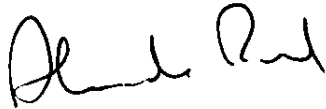
**ALFA CHEMICALS LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ALFA CHEMICALS LIMITED**

**MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION**

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

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



Alexander Peal BSc(Hons) FCA DChA (Senior Statutory Auditor)  
for and on behalf of

**James Cowper LLP**

Chartered Accountants and Statutory Auditor

3 Wesley Gate

Queen's Road

Reading

Berkshire

RG1 4AP

Date 11 July 2013



**ALFA CHEMICALS LIMITED**

**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2012**

	<b>Note</b>	<b>2012 £</b>	<b>2011 £</b>
<b>TURNOVER</b>	1,2	<b>8,779,101</b>	8,641,226
Change in stocks of finished goods and work in progress		<b>(23,640)</b>	51,732
Other operating income		<b>622,577</b>	622,248
Raw materials and consumables		<b>(6,568,014)</b>	(6,484,789)
Other operating charges		<b>(479,402)</b>	(443,077)
Staff costs		<b>(1,137,171)</b>	(1,243,438)
Depreciation and amortisation		<b>(89,775)</b>	(81,038)
<b>OPERATING PROFIT</b>	3	<b>1,103,676</b>	1,062,864
<b>EXCEPTIONAL ITEMS</b>			
Exceptional items	7	-	(465,055)
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST</b>		<b>1,103,676</b>	597,809
Income from associated undertaking		<b>200,000</b>	160,000
Interest receivable and similar income	6	<b>10,959</b>	13,257
<b>PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION</b>		<b>1,314,635</b>	771,066
Tax on profit on ordinary activities	8	<b>(287,862)</b>	(292,793)
<b>PROFIT FOR THE FINANCIAL YEAR</b>	16	<b>1,026,773</b>	478,273

All amounts relate to continuing operations

There were no recognised gains and losses for 2012 or 2011 other than those included in the profit and loss account

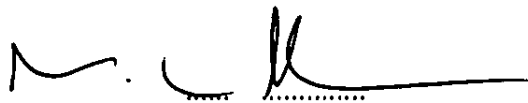
The notes on pages 8 to 15 form part of these financial statements

**ALFA CHEMICALS LIMITED**  
**REGISTERED NUMBER 01254437**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2012**

	Note	£	2012 £	£	2011 £
<b>FIXED ASSETS</b>					
Tangible assets	9		1,014,654		997,221
Investment in associated undertaking	10		2,000		2,000
			<u>1,016,654</u>		<u>999,221</u>
<b>CURRENT ASSETS</b>					
Stocks	11	638,621		662,261	
Debtors amounts falling due after more than one year	12	373,082		373,082	
Debtors amounts falling due within one year	12	1,122,051		1,052,803	
Cash at bank and in hand		2,449,086		1,918,554	
		<u>4,582,840</u>		<u>4,006,700</u>	
<b>CREDITORS</b> amounts falling due within one year	13	(1,762,771)		(1,915,971)	
<b>NET CURRENT ASSETS</b>			<u>2,820,069</u>		<u>2,090,729</u>
<b>NET ASSETS</b>			<u>3,836,723</u>		<u>3,089,950</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	15		100,000		100,000
Profit and loss account	16		3,736,723		2,989,950
<b>SHAREHOLDERS' FUNDS</b>	17		<u>3,836,723</u>		<u>3,089,950</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by



M W Walker  
Director

Date 10/06/2013

The notes on pages 8 to 15 form part of these financial statements

## **ALFA CHEMICALS LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012**

#### **1 ACCOUNTING POLICIES**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

##### **1.2 Cash flow statement**

The company has taken advantage of the exemption conferred by Financial Reporting Standard 1 'Cash Flow Statements (Revised 1996)' not to prepare a cash flow statement on the grounds that at least 90% of the voting rights in the company are controlled within the group headed by Alfa Technical Industries Limited and the company is included in consolidated financial statements

##### **1.3 Turnover**

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales

##### **1.4 Tangible fixed assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases

Freehold property	-	2% straight line per annum
Motor vehicles	-	2.5% straight line per month
Fixtures and fittings	-	2% straight line per month

##### **1.5 Stocks**

Stocks are valued at the lower of cost and net realisable value. Cost is based on the cost of purchase on a first in, first out basis. Net realisable value is based on estimated selling price less additional costs to completion and disposal.

##### **1.6 Deferred taxation**

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

Deferred tax assets and liabilities are not discounted.

##### **1.7 Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the profit and loss account.

##### **1.8 Pensions**

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

# ALFA CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 2 TURNOVER

An analysis of turnover by geographical market is as follows

	2012 £	2011 £
United Kingdom	7,424,471	7,494,114
Europe	1,138,073	996,032
Rest of the world	216,557	151,080
	<u>8,779,101</u>	<u>8,641,226</u>

Turnover is wholly attributable to the principal activity of the company

### 3 OPERATING PROFIT

The operating profit is stated after charging/(crediting)

	2012 £	2011 £
Depreciation of tangible fixed assets		
- owned by the company	102,795	91,838
Auditors' remuneration	4,950	4,950
Exchange differences	(23,560)	(11,808)
Pension costs	109,034	190,825
Profit on sale of tangible fixed assets	(13,020)	(10,800)
	<u>180,209</u>	<u>264,995</u>

### 4 STAFF COSTS

Staff costs, including directors' remuneration, were as follows

	2012 £	2011 £
Wages and salaries	943,819	955,993
Social security costs	84,318	96,620
Other pension costs	109,034	190,825
	<u>1,137,171</u>	<u>1,243,438</u>

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

	2012 No	2011 No
Trading	17	20
Administration	9	7
	<u>26</u>	<u>27</u>

**ALFA CHEMICALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**5 DIRECTORS' REMUNERATION**

	2012 £	2011 £
Emoluments	<u>74,185</u>	<u>117,765</u>
Company contributions to defined contribution pension schemes	<u>50,000</u>	<u>120,625</u>

During the year retirement benefits were accruing to 1 director (2011 - 1) in respect of defined contribution pension schemes

**6 INTEREST RECEIVABLE AND SIMILAR INCOME**

	2012 £	2011 £
Bank deposits	<u>10,959</u>	<u>13,257</u>

**7 EXCEPTIONAL ITEMS**

	2012 £	2011 £
Intercompany balance written off	<u>-</u>	<u>465,055</u>

The exceptional item relates to an intercompany balance written off in the prior year as a consequence of a restructuring of the group headed by Alfa Technical Industries Limited (formerly known as Classicvale Limited)

**8 TAXATION**

	2012 £	2011 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	285,730	298,725
Adjustments in respect of prior periods	(390)	-
<b>Total current tax</b>	<u>285,340</u>	<u>298,725</u>
<b>Deferred tax</b> (see note 14)		
Origination and reversal of timing differences	<u>2,522</u>	<u>(5,932)</u>
<b>Tax on profit on ordinary activities</b>	<u>287,862</u>	<u>292,793</u>

**ALFA CHEMICALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**8 TAXATION (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2011 - higher than) the standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%). The differences are explained below

	2012 £	2011 £
Profit on ordinary activities before tax	<u>1,314,635</u>	<u>771,066</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 24.5% (2011 - 26.5%)	322,050	204,280
<b>Effects of</b>		
Expenses not deductible for tax purposes	14,857	147,997
Depreciation for period in excess of capital allowances	(2,182)	(11,163)
Adjustments to tax charge in respect of prior periods	(390)	-
Dividends from UK companies	<u>(48,995)</u>	<u>(42,389)</u>
<b>Current tax charge for the year (see note above)</b>	<u><u>285,340</u></u>	<u><u>298,725</u></u>

**9 TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2012	1,687,681	195,732	285,998	2,169,411
Additions	-	78,679	51,839	130,518
Disposals	-	(74,363)	(124,172)	(198,535)
At 31 December 2012	<u>1,687,681</u>	<u>200,048</u>	<u>213,665</u>	<u>2,101,394</u>
<b>Depreciation</b>				
At 1 January 2012	797,951	112,269	261,970	1,172,190
Charge for the year	33,733	50,980	18,082	102,795
On disposals	-	(65,623)	(122,622)	(188,245)
At 31 December 2012	<u>831,684</u>	<u>97,626</u>	<u>157,430</u>	<u>1,086,740</u>
<b>Net book value</b>				
At 31 December 2012	<u><u>855,997</u></u>	<u><u>102,422</u></u>	<u><u>56,235</u></u>	<u><u>1,014,654</u></u>
At 31 December 2011	<u><u>889,730</u></u>	<u><u>83,463</u></u>	<u><u>24,028</u></u>	<u><u>997,221</u></u>

**ALFA CHEMICALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**10 FIXED ASSET INVESTMENTS**

	Investment in associated undertaking £
<b>Cost or valuation</b>	
At 1 January 2012 and 31 December 2012	2,000
<b>Net book value</b>	
At 31 December 2012	2,000
At 31 December 2011	2,000

The investment in the associated undertaking represents 40% of the issued share capital (2,000 Ordinary B Shares of £1 each) of Gattefosse (UK) Limited, a company incorporated in England. The principal activity of the company is that of a chemical importer and distributor.

**11 STOCKS**

	2012 £	2011 £
Finished goods and goods for resale	638,621	662,261

There is no material difference between the replacement cost of stocks and the amounts stated above.

**12 DEBTORS**

	2012 £	2011 £
<b>Due after more than one year</b>		
Amounts owed by group undertakings	373,082	373,082
<b>Due within one year</b>		
Trade debtors	1,035,574	979,717
Amounts owed by group undertakings	12,433	12,252
Amounts owed by associated undertakings	33,870	34,984
Other debtors	36,764	19,918
Deferred tax asset (see note 14)	3,410	5,932
	1,122,051	1,052,803

**ALFA CHEMICALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**13 CREDITORS**

**Amounts falling due within one year**

	2012 £	2011 £
Trade creditors	551,809	786,972
Amounts owed to group undertakings	483,500	477,340
Corporation tax	127,021	213,406
Social security and other taxes	320,054	273,850
Accruals and deferred income	280,387	164,403
	<u>1,762,771</u>	<u>1,915,971</u>

**14 DEFERRED TAX ASSET**

	2012 £	2011 £
At beginning of year	5,932	-
Credit for year	(2,522)	5,932
	<u>3,410</u>	<u>5,932</u>

The deferred tax asset is made up as follows

	2012 £	2011 £
Accelerated capital allowances	<u>3,410</u>	<u>5,932</u>

**15 SHARE CAPITAL**

	2012 £	2011 £
<b>Allotted, called up and fully paid</b>		
100,000 Ordinary shares of £1 each	<u>100,000</u>	<u>100,000</u>

**16. RESERVES**

	Profit and loss account £
At 1 January 2012	2,989,950
Profit for the year	1,026,773
Dividends	(280,000)
	<u>3,736,723</u>
At 31 December 2012	<u>3,736,723</u>



# ALFA CHEMICALS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2012

### 17 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2012 £	2011 £
Opening shareholders' funds	3,089,950	3,411,677
Profit for the year	1,026,773	478,273
Dividends (Note 18)	(280,000)	(800,000)
Closing shareholders' funds	<u>3,836,723</u>	<u>3,089,950</u>

### 18 DIVIDENDS

	2012 £	2011 £
Dividends paid on equity capital	<u>280,000</u>	<u>800,000</u>

### 19 RELATED PARTY DISCLOSURES

The company is a wholly owned subsidiary of Alfa Technical Industries Limited and has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions with Alfa Technical Industries Limited or other wholly owned subsidiaries within the group

Other related party transactions are as follows

	2012 Gattefosse (UK) Limited £	2011 Gattefosse (UK) Limited £
Purchases from associated undertaking	160,523	109,562
Amounts owed by associated undertaking	33,870	34,984
Management charge and sales receivable from associated undertaking	375,942	399,936
Dividend received from associated undertaking	<u>200,000</u>	<u>160,000</u>

### 20 POST BALANCE SHEET EVENTS

Subsequent to the balance sheet date the company has paid dividends totalling £2,740,582

**ALFA CHEMICALS LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2012**

**21 ULTIMATE PARENT UNDERTAKING AND PARENT UNDERTAKING OF LARGER GROUP**

The ultimate parent company is Alfa Technical Industries Limited, a company incorporated in England

The largest and smallest group in which the results of the company are consolidated is that headed by Alfa Technical Industries Limited. The consolidated accounts of this company are available to the public from

The Registrar of Companies  
Companies House  
3 Crown Way  
Cardiff  
CF4 3UZ

No other group accounts include the results of the company

The company is controlled by M W Walker by virtue of his shareholding in the ultimate parent company