

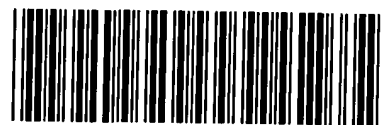
SNF (UK) Limited

Registered number: 02023891

Directors' report and financial statements

For the year ended 31 December 2016

TUESDAY



A24 *A6AY8XNM* 18/07/2017 #29
COMPANIES HOUSE

SNF (UK) LIMITED

COMPANY INFORMATION

Directors	Mr R Hund Mr A Woollin (appointed 4 January 2016) Mr I A Waterhouse (appointed 16 August 2016) Mr M R Waddington (appointed 22 September 2016) Mr P A L Remy (appointed 22 September 2016)
Registered number	02023891
Registered office	Solutions House Ripley Close Normanton Industrial Estate Normanton West Yorkshire WF6 1TB
Independent auditor	Constantin Chartered Accountants & Statutory Auditor 25 Hosier Lane London EC1A 9LQ
Bankers	The Royal Bank of Scotland 35-37 Northgate Wakefield WF1 3XA

SNF (UK) LIMITED

CONTENTS

	Page
Strategic Report	1
Directors' Report	2
Directors' Responsibilities Statement	3
Independent Auditor's Report	4 - 5
Statement of Comprehensive Income	6
Balance Sheet	7
Statement of Changes in Equity	8
Notes to the Financial Statements	9 - 24

SNF (UK) LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2016

Introduction

The directors present their strategic report for the year ended 31 December 2016.

Principal activity

The principal activity of the company is the supply of water treatment chemicals and equipment into the industrial and municipal markets of UK and Ireland.

Business review

Sales year on year are broadly comparable, which is considered a good result given some lost business in the municipal market. Underlying volumes year on year were slightly up overall.

In 2016 the company started a significant restructuring process, following a major acquisition at the end of 2015. This restructuring process will continue into 2017 and is expected to bring about a more robust organisation which is fit for purpose in the challenging market it operates within. SNF remains committed to the UK and Irish markets and strongly believes these changes will allow them to serve customers more effectively.

Overall operational profitability has been affected by the restructuring process through 2016. Although Profit after tax shows improvement year on year due to changes in the company's prior year corporation tax.

Environmental

The company remains committed to its environmental responsibilities and continues to maintain its ISO 14001 registration.

Position of the business

It is considered that the year end position of the company remains satisfactory and will allow further development of the business in line with the Directors' expectations.

Principal risks and uncertainties

Oil prices have started to recover with resulting upwards pressure on raw materials, together with increasing inflation in the UK. Margins will need to be closely watched and price increases have already been announced to the market in early Quarter 1 2017.

The devaluation of Sterling versus the Euro has impacted on SNF's costs as our raw materials and manufacturing costs are based in Euro. A price increase was implemented late in 2016 where contracts allow to mitigate this.

This report was approved by the board on 28th April 2017 and signed on its behalf.



Mr I A Waterhouse
Director

SNF (UK) LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors present their report and the financial statements for the year ended 31 December 2016.

Directors

The directors who served during the year were:

Mr V K Lowther (resigned 22 January 2017)
Mr R Hund
Mr A Wharton (resigned 14 April 2016)
Mr R Pich (resigned 22 September 2016)
Mr A Woollin (appointed 4 January 2016)
Mr I A Waterhouse (appointed 16 August 2016)
Mr M R Waddington (appointed 22 September 2016)
Mr P A L Remy (appointed 22 September 2016)

Future developments

The company remains committed to completing its restructuring activity in 2017 and is investing substantial sums in IT infrastructure and software to meet this purpose.

SNF (UK) has started to outsource its warehousing and logistics operations to a third party provider, with an overall aim of providing a more streamlined operation and delivering better results for customers.

Construction of the UK group's manufacturing facility continues, with initial production expected in 2017.

Research and development activities

The company will continue its policy of investment in research and development in order to meet customer needs not only today but in the future. SNF (UK) technical team aims to provide customers with the optimum product performance and the lowest cost of treatment.

Disclosure of Information to auditor

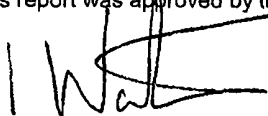
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Constantin, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 28th April 2017 and signed on its behalf.



Mr I A Waterhouse
Director

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016**

The directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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 to 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNF (UK) LIMITED

We have audited the financial statements of SNF (UK) Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes 1 to 27. 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) including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Directors' report, Strategic report and financial statements to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the 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 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" and the Companies Act 2006;
- have been prepared in accordance with the requirements of the Companies Act 2006.

SNF (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SNF (UK) LIMITED

Opinion on the other matter prescribed by the Companies Act 2006

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

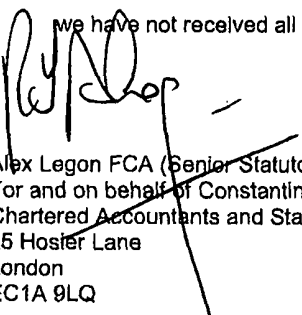
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements

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 any material misstatements in the Strategic Report and the Directors' Report.

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.



Alex Legon FCA (Senior Statutory Auditor)
For and on behalf of Constantin
Chartered Accountants and Statutory Auditor
25 Hoster Lane
London
EC1A 9LQ

Date: 28 APR 2017

SNF (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 £	2015 £
Turnover		41,197,861	41,237,741
Raw materials and consumables		(34,320,793)	(34,322,867)
Gross profit		6,877,068	6,914,874
Staff costs	6	(2,371,199)	(1,747,469)
Depreciation and amortisation		(257,981)	(252,555)
Other expenses		(2,926,530)	(2,771,675)
Other (losses)/gains		(2,805)	32,000
Operating profit	4	1,318,553	2,175,175
Income from shares in group undertakings		226,081	-
Interest receivable and similar income	8	315,557	5,704
Interest payable and expenses	9	(142,492)	(127,419)
Other finance income/(costs)		(86,272)	-
Profit before tax		1,631,427	2,053,460
Tax on profit	10	215,990	(435,161)
Profit for the year		1,847,417	1,618,299

There were no recognised gains and losses for 2016 or 2015 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2016 (2015:£NIL).

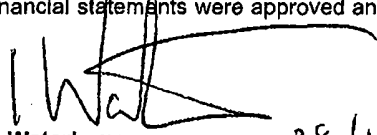
The notes on pages 9 to 24 form part of these financial statements.

SNF (UK) LIMITED
Registered number: 02023891

**BALANCE SHEET
AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	11	3,911,088	2,954,744
Investments	12	4,753,658	4,621,141
		<u>8,664,746</u>	<u>7,575,885</u>
Current assets			
Stocks	13	2,680,433	3,561,905
Debtors: amounts falling due within one year	14	72,523,622	8,524,023
Cash at bank and in hand	15	2,226,283	3,969,493
		<u>77,430,338</u>	<u>16,055,421</u>
Creditors: amounts falling due within one year	16	(71,657,625)	(10,763,993)
Net current assets		<u>5,772,713</u>	<u>5,291,428</u>
Total assets less current liabilities		<u>14,437,459</u>	<u>12,867,313</u>
Creditors: amounts falling due after more than one year	17	(1,373,825)	(6,137,251)
Provisions for liabilities			
Deferred tax	21	(79,866)	(93,711)
		<u>(79,866)</u>	<u>(93,711)</u>
Net assets		<u><u>12,983,768</u></u>	<u><u>6,636,351</u></u>
Capital and reserves			
Called up share capital	22	7,952,680	3,452,680
Profit and loss account		5,031,088	3,183,671
		<u><u>12,983,768</u></u>	<u><u>6,636,351</u></u>

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


Mr I A Waterhouse
Director

28 / 4 / 17

The notes on pages 9 to 24 form part of these financial statements.

SNF (UK) LIMITED**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2016	3,452,680	3,183,671	6,636,351
Profit for the year	-	1,847,417	1,847,417
Shares issued during the year	4,500,000	-	4,500,000
At 31 December 2016	7,952,680	5,031,088	12,983,768

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2015**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2015	3,452,680	1,565,372	5,018,052
Profit for the year	-	1,618,299	1,618,299
At 31 December 2015	3,452,680	3,183,671	6,636,351

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

1. General information

The company is a private company limited by share capital incorporated in England and Wales.

The address of its registered office is:

Solutions House
Ripley Close
Normanton Industrial Estate
Normanton
West Yorkshire
WF6 1TB

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements contain information about SNF (UK) Limited as an individual company and not about its group. In accordance with the provisions of Financial Reporting Standard 102 and Section 401 of the Companies Act 2006, the company has taken advantage of the exemption available to it from the requirement to prepare financial statements on the grounds that it is included in the consolidated financial statements of SPCM SA.

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of SPCM SA as at 31 December 2016 and these financial statements may be obtained from the address shown in note 28 to these financial statements.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.3 Going concern

The financial statements have been prepared on a going concern basis. The company is reliant upon funding from other group companies to finance work on assets under Construction within the UK group. The directors have obtained confirmation that other group companies will not demand repayment in part or in full of any debt until the company is in a position to do so. The directors have considered a period in excess of twelve months from the date of the approval of these financial statements in making their assessment.

2.4 Revenue recognition

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of value added tax, returns, rebates and discounts and after eliminating sales within the company.

The Company recognises revenue when; the amount can be reliably measured; it is probable that future economic benefits will flow to the entity; and specific criteria have been met for each of the Company's activities.

2.5 Tangible fixed assets

Tangible assets are stated in the statement of financial position at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	- 25 years (excluding land)
Plant & machinery	- 15% - 33%
Motor vehicles	- 25%
Fixtures & fittings	- 15% - 33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.6 Valuation of investments

Investments in subsidiaries are measured at historic cost less impairment.

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss.

Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

2.8 Debtors

Trade debtors are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

2.10 Financial instruments

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

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.11 Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the Company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for a least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.12 Hedge accounting

The Company uses variable to fixed interest rate swaps to manage its exposure to interest rate risk on its transactions. These derivatives are measured at fair value at each balance sheet date.

2.13 Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Leases

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the Balance Sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the Statement of Comprehensive Income and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

2.15 Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the Company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

2.16 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance Sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance Sheet date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

2. Accounting policies (continued)

2.17 Borrowing costs

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Statement of Comprehensive Income over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

2.18 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Payments to other group members for group relief claims made against the company's taxable profits are recognised in the current tax charge.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements and on unused tax losses or tax credits in the Company. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

The carrying amount of deferred tax assets are reviewed at each reporting date and a valuation allowance is set up against deferred tax assets so that the net carrying amount equals the highest amount that is more likely than not to be recovered based on current or future taxable profits.

2.19 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

3. Turnover

	2016 £	2015 £
UK	31,690,194	31,270,180
Europe	3,917,360	4,649,625
Rest of the world	5,590,307	5,317,936
	<u>41,197,861</u>	<u>41,237,741</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

4. Operating profit

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

	2016 £	2015 £
Depreciation of tangible fixed assets	257,981	252,555
Loss/(profit) on disposal of property, plant and equipment	2,805	(32,000)
Other operating lease rentals	102,451	91,883
Defined contribution pension cost	237,252	223,872
Restructuring costs	98,000	-
	<u>257,981</u>	<u>252,555</u>

5. Auditor's remuneration

	2016 £	2015 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	18,000	13,745
	<u>18,000</u>	<u>13,745</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	1,932,096	1,387,044
Social security costs	201,851	136,553
Cost of defined contribution scheme	237,252	223,872
	<u>2,371,199</u>	<u>1,747,469</u>

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

	2016 No.	2015 No.
Administration	58	37
Management	12	8
	<u>70</u>	<u>45</u>

SNF (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016****7. Directors' remuneration**

	2016 £	2015 £
Directors' emoluments	346,542	60,000
Company contributions to defined contribution pension schemes	76,606	20,640
	<u>423,148</u>	<u>80,640</u>

During the year retirement benefits were accruing to 6 directors (2015 - 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £127,453 (2015 - £89,824).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £11,691 (2015 - £10,779).

8. Interest receivable

	2016 £	2015 £
Other interest receivable	5,545	934
Foreign exchange gains	310,012	4,770
	<u>315,557</u>	<u>5,704</u>

9. Interest payable and similar charges

	2016 £	2015 £
Bank interest payable	72,168	82,164
Other loan interest payable	67,299	41,759
Finance leases and hire purchase contracts	3,025	3,496
	<u>142,492</u>	<u>127,419</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**
10. Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	229,588	351,876
Adjustments in respect of previous periods	(478,062)	(127,693)
	<u>(248,474)</u>	<u>224,183</u>
Group taxation relief	46,329	179,704
	<u>(202,145)</u>	<u>403,887</u>
Deferred tax		
Origination and reversal of timing differences	(13,845)	31,274
Taxation on profit on ordinary activities	<u>(215,990)</u>	<u>435,161</u>

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2015 - higher than) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>1,631,425</u>	<u>2,053,460</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	326,285	410,692
Effects of:		
Expenses not deductible for tax purposes	27,184	4,640
Adjustments to tax charge in respect of prior periods	(478,062)	(127,693)
Increase or decrease in pension fund prepayment leading to an increase in tax	-	288
Short term timing difference leading to an increase/(decrease) in tax	10,038	(32,470)
Dividends from UK companies	(45,216)	-
Group relief adjustments	(56,219)	179,704
Total tax charge for the year	<u>(215,990)</u>	<u>435,161</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**
10. Taxation (continued)**Factors that may affect future tax charges**

The Finance (No. 2) Act 2015 which was published on 18 November 2015 includes legislation reducing the main rate of UK corporation tax from 20% to 19% with effect from 1 April 2017, with a further reduction to 18% with effect from 1 April 2020. The Finance Act 2016 which was published on 15 September 2016 announced a further reduction to 17% with effect from 1 April 2020. These reductions have been enacted at the balance sheet date and have been reflected in the deferred tax recognised on the balance sheet.

11. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 January 2016	3,573,210	661,974	239,399	331,711	4,806,294
Additions	-	44,964	-	47,443	92,407
Transfers from related companies	1,124,723	-	-	-	1,124,723
Disposals	-	(17,475)	-	-	(17,475)
At 31 December 2016	<u>4,697,933</u>	<u>689,463</u>	<u>239,399</u>	<u>379,154</u>	<u>6,005,949</u>
Depreciation					
At 1 January 2016	928,563	463,049	141,326	318,612	1,851,550
Charge for the period on owned assets	118,297	99,664	4,955	7,165	230,081
Charge for the period on financed assets	-	-	27,900	-	27,900
Disposals	-	(14,670)	-	-	(14,670)
At 31 December 2016	<u>1,046,860</u>	<u>548,043</u>	<u>174,181</u>	<u>325,777</u>	<u>2,094,861</u>
Net book value					
At 31 December 2016	<u>3,651,073</u>	<u>141,420</u>	<u>65,218</u>	<u>53,377</u>	<u>3,911,088</u>
At 31 December 2015	<u>2,644,647</u>	<u>198,925</u>	<u>98,073</u>	<u>13,099</u>	<u>2,954,744</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

11. Tangible fixed assets (continued)

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2016 £	2015 £
Motor vehicles	39,383	67,283
	<u>39,383</u>	<u>67,283</u>

Included in the net book value for freehold property is land of £1,124,723 which is not depreciated.

12. Fixed asset investments

	Investments in subsidiary companies £	Investments in associates £	Unlisted investments £	Total £
Cost or valuation				
At 1 January 2016	4,500,102	120,039	1,000	4,621,141
Amounts written off	-	(120,039)	-	(120,039)
Transfers from related companies	252,556	-	-	252,556
At 31 December 2016	<u>4,752,658</u>	<u>-</u>	<u>1,000</u>	<u>4,753,658</u>
Net book value				
At 31 December 2016	<u>4,752,658</u>	<u>-</u>	<u>1,000</u>	<u>4,753,658</u>
At 31 December 2015	<u>4,500,102</u>	<u>120,039</u>	<u>1,000</u>	<u>4,621,141</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

12. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Floquip Limited	Ordinary	100 %
SNF Oil and Gas Limited	Ordinary	100 %
SNF UK Property Limited	Ordinary	100 %
SPCM UK Holdings Limited	Ordinary	100 %
Goldcrest Chemicals Limited	Ordinary	100 %
SNF Limited	Ordinary	100 %
SPCM Limited	Ordinary	100 %

Floquip Limited is dormant. Its registered office is Solutions House, Ripley Close, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1TB.

The principal activity of SNF Oil and Gas Limited is the manufacture of flocculant chemicals. Its registered office is Solutions House, Ripley Close, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1TB.

SNF UK Property Limited is dormant. Its registered office is Solutions House, Ripley Close, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1TB.

SPCM UK Holdings Limited is dormant. Its registered office is Solutions House, Ripley Close, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1TB.

The principal activity of Goldcrest Chemicals Limited is the manufacture and distribution of water treatment chemicals and the design and construction of effluent treatment and water recycling systems. Its registered office is Dodworth Business Park, Great Cliffe Road, Dodworth, Barnsley, South Yorkshire, S75 3SP.

SNF Limited is dormant. Its registered office is Solutions House, Ripley Close, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1TB.

SPCM Limited is dormant. Its registered office is Solutions House, Ripley Close, Normanton Industrial Estate, Normanton, West Yorkshire, WF6 1TB.

All subsidiary undertakings are incorporated in England & Wales.

SNF (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016****12. Fixed asset investments (continued)**

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Floquip Limited	(1,062)	-
SNF Oil and Gas Limited	832,583	279,485
SNF UK Property Limited	1	-
SPCM UK Holdings Limited	3,452,681	-
Goldcrest Chemicals Limited	1,694,611	410,375
SNF Limited	100	-
SPCM Limited	100	-
	<u> </u>	<u> </u>

13. Stocks

	2016 £	2015 £
Raw materials and consumables	166,263	167,151
Work in progress	-	122,140
Finished goods and goods for resale	2,514,170	3,272,614
	<u>2,680,433</u>	<u>3,561,905</u>

Total purchases relating to stock recognised in the statement of comprehensive income was £33,631,825 (2015: £33,594,649).

14. Debtors

	2016 £	2015 £
Trade debtors	7,531,543	7,691,540
Amounts owed by group undertakings	64,345,762	389,066
Other debtors	329,224	443,417
Tax recoverable	317,093	-
	<u>72,523,622</u>	<u>8,524,023</u>

SNF (UK) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

15. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	2,226,283	3,969,493
	<u>2,226,283</u>	<u>3,969,493</u>

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Bank loans	229,907	226,900
Trade creditors	741,225	1,608,776
Amounts owed to group undertakings	69,561,967	7,735,897
Corporation tax	-	289,953
Other taxation and social security	650,508	601,369
Obligations under finance lease and hire purchase contracts	33,167	34,118
Other creditors	98,000	1,441
Accruals	256,579	265,539
Financial instruments	86,272	-
	<u>71,657,625</u>	<u>10,763,993</u>

17. Creditors: Amounts falling due after more than one year

	2016 £	2015 £
Bank loans	283,970	514,231
Net obligations under finance leases and hire purchase contracts	-	33,167
Amounts owed to group undertakings	1,089,855	5,589,853
	<u>1,373,825</u>	<u>6,137,251</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**
18. Loans

Analysis of the maturity of loans is given below:

	2016 £	2015 £
Amounts falling due within one year		
Bank loans	229,907	226,900
Amounts falling due 2-5 years		
Bank loans	283,970	514,231
	<u>513,877</u>	<u>741,131</u>

Bank borrowings

Bank loans and overdrafts are denominated in sterling with a nominal interest rate of LIBOR, and the final instalment is due on 31 March 2019 based on current interest rates. The carrying amount at the year end is £513,877 (2015 - £741,131).

These obligations are secured on all the assets of the company.

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2016 £	2015 £
Within one year	33,167	34,118
Between 1-2 years	-	33,167
	<u>33,167</u>	<u>67,285</u>

20. Financial instruments

	2016 £	2015 £
Financial liabilities		
Derivative financial instruments measured at fair value through profit or loss	86,272	-
	<u>86,272</u>	<u>-</u>

Derivative financial liabilities measured at fair value through profit or loss comprise an interest loan swap on bank borrowings.

SNF (UK) LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016****21. Deferred taxation**

	2016 £	2015 £
At beginning of year	93,711	62,437
Charged to profit or loss	(13,845)	31,274
At end of year	79,866	93,711

The provision for deferred taxation is made up as follows:

	2016 £	2015 £
Accelerated capital allowances	79,866	93,711
	79,866	93,711

22. Share capital

	2016 £	2015 £
Shares classified as equity		
Allotted, called up and fully paid		
7,952,680 (2015 - 3,452,680) Ordinary shares of £1 each	7,952,680	3,452,680

During the year the company issued 4,500,000 Ordinary shares of £1 each at par value.

23. Contingent liabilities

At 31 December 2016, the company had a £13,845 contra indemnity regarding VAT deferment (2015-£90,000)

24. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £237,252 (2015 - £223,872).

Contributions totalling £Nil (2015 - £1,441) were payable to the scheme at the end of the year and are included in creditors.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

25. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	212,313	82,460
Later than 1 year and not later than 5 years	173,200	85,356
	<u>385,513</u>	<u>167,816</u>

26. Related party transactions

The company has taken advantage of the exemption in FRS 102 from disclosing transactions with other members of the group.

27. Controlling party

The directors consider that Mr Rene Pich is the ultimate controlling party.

The company's immediate parent is SPCM SA, incorporated in France.

28. Group accounts

The largest group of undertakings for which the group accounts have been drawn up is that headed by SPCM SA, incorporated in France. Copies of the consolidated financial statements can be obtained from ZAC de Milieux, 42163 Andrézieux, France.