

**EuroCaps Limited**

**Annual report  
for the year ended 31 March 2017**

**Registered No: 2878879**

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# **EuroCaps Limited**

## **Annual report for the year ended 31 March 2017**

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# **EuroCaps Limited**

## **Directors and advisers**

### **Directors**

S C O'Connor  
D K Niece  
C Costigan  
R McEvoy  
A M Williams  
B S C Tomlin

### **Company secretary**

A M Williams

### **Registered Office**

Crown Business Park  
Dukestown  
Tredegar  
Gwent  
NP22 4EF

### **Auditor**

KPMG  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

### **Solicitors**

ClarksLegal LLP  
One Forbury Square  
The Forbury  
Reading  
Berkshire  
RG1 3EB

### **Registered Number**

2878879

# **EuroCaps Limited**

## **Strategic report for the year ended 31 March 2017**

The directors present their strategic report for the year ended 31 March 2017.

### **Principal activities**

The principal activities of the company are the manufacturing and supply of soft gelatine encapsulation products and the provision of precision engineering services.

### **Review of business**

The profit and loss account for the year is set out on page 8. Turnover increased to just over £33.1m (2016: £26.5m) and profit before taxation increased to almost £2.5m (2016: £1.9m). At the end of the year the company had net assets of just over £9.5m.

Given the straightforward nature of the business, the company's directors are of the opinion that analysis using KPIs other than those disclosed above is not necessary for an understanding of the development, performance or position of the business.

The directors consider the company to be well placed to take advantage of any opportunities that may arise.

### **Sustainability**

The directors are committed to ensuring the health, safety and welfare of the company's employees and to conducting its business in a way that creates social, environmental and economic value to all of its stakeholders. The directors have taken steps to ensure that the company's statutory duties are met at all times and they have identified a number of key metrics such as reportable accidents, lost time injury frequency and severity rate and CO2 emissions intensity with appropriate targets for improvement for those metrics to ensure that the company's activities meet its sustainability objectives.

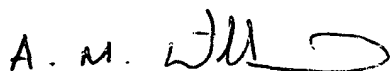
### **Financial position**

The directors have reviewed the adequacy of the funding available to the company to meet its operational requirements for the foreseeable future, and have concluded that it is appropriate to prepare these financial statements on the going concern basis.

### **Principal risks and uncertainties**

The management of the business and execution of strategy are subject to a number of risks. Key business risks principally relate to market competition, both from a national and international perspective. Business risks are reviewed regularly by the directors and appropriate processes are put in place to monitor and mitigate their impact.

On behalf of the Board



**A M Williams**  
Director

30 May 2017

# **EuroCaps Limited**

## **Directors' report for the year ended 31 March 2017**

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

### **Future developments**

The directors carry out a strategic review of the business on an annual basis and consider that it is well positioned to take advantage of business opportunities as they arise.

### **Dividends and transfers to reserves**

A dividend of £nil (2016: £nil) was paid during the year.

The profit for the financial year of £1,981k (2016 profit: £1,557k) will be transferred to reserves.

### **Directors**

The directors of the company who were in office during the year and up to the date of signing the financial statements are listed on page 2.

Each director has been a director for the whole of the year ended 31 March 2017 unless otherwise noted.

### **Financial risk management**

The company's operations expose it to a variety of financial risks that include the effect of changes in market prices, credit risk, liquidity risk and interest rate cash flow risk. The company has in place a risk management programme that seeks to limit the adverse effects of debt finance and the related finance costs on the performance of the company.

Given the size of the company, the directors have not delegated the responsibility of monitoring financial risk management to a sub-committee of the board. The policy set by the board of directors is implemented by the company's finance department.

#### ***Price risk***

The company is not exposed to any significant commodity price risk.

#### ***Credit risk***

The company has implemented policies that require appropriate credit checks on potential customers before sales are made. The amount of exposure of any individual counterparty is subject to a limit which is assessed regularly by the board.

#### ***Liquidity, interest rate cash flow risk***

The company is funded through inter-company debt. Interest rate risk, liquidity risk and the interest rate cash flow risk is managed by the DCC Plc (the ultimate holding company) board.

### **Auditors**

During the year KPMG, Chartered Accountants were appointed pursuant to section 485 of the Companies Act 2006.

# **EuroCaps Limited**

## **Directors' report for the year ended 31 March 2017 (continued)**

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* (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 judgements 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 company will continue in business.

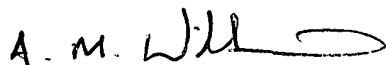
The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies 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.

### **Statement of disclosure of information to auditors**

Each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

So far as each director is aware, there is no relevant audit information of which the company's auditor is unaware.

On behalf of the Board



**A M Williams**  
Director

30 May 2017

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROCAPS LIMITED**

We have audited the financial statements of Eurocaps Limited for the year ended 31 March 2017 set out on pages 8 to 20. The financial reporting framework that has been applied in their preparation is applicable law and UK Accounting Standards (UK Generally Accepted Accounting Practice), including FRS 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 set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view and otherwise comply with the Companies Act 2006. 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 Financial Reporting Council's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

## **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 March 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with UK Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

## **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion 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.

Based solely on the work required to be undertaken in the course of the audit of the financial statements and from reading the Strategic report and the Directors' report:

- we have not identified material misstatements in those reports; and
- in our opinion, those reports have been prepared in accordance with the Companies Act 2006.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROCAPS LIMITED - continued**

### **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.



**Ruaidhri Gibbons (Senior Statutory Auditor)**  
**for and on behalf of KPMG LLP, Statutory Auditor**  
*Chartered Accountants*  
1 Stokes Place  
St. Stephen's Green  
Dublin 2  
Ireland

*30 May* 2017



## EuroCaps Limited

### Profit and Loss Account and Other Comprehensive Income for the year ended 31 March 2017

Registered No: 2878879

	Note	2017 £'000	2016 £'000
Turnover	2	33,115	26,482
Cost of sales		(23,794)	(18,528)
<b>Gross profit</b>		<b>9,321</b>	<b>7,954</b>
Administrative expenses		(6,747)	(6,058)
Other operating income		129	257
<b>Operating profit</b>	5	<b>2,703</b>	<b>2,153</b>
Interest receivable and similar income		2	4
Interest payable and similar charges	6	(225)	(251)
<b>Profit before taxation</b>		<b>2,480</b>	<b>1,906</b>
Tax on profit	7	(499)	(349)
<b>Profit and total comprehensive income for the financial year</b>		<b>1,981</b>	<b>1,557</b>

All of the above results are derived from continuing activities.

The notes on pages 11 to 20 form part of the financial statements.

# EuroCaps Limited

## Balance Sheet As at 31 March 2017

Registered No: 2878879

	Note	2017 £'000	2016 £'000
<b>Fixed assets</b>			
Tangible assets	8	9,488	9,192
Intangible assets	9	485	609
		<b>9,973</b>	<b>9,801</b>
<b>Current assets</b>			
Stocks	10	3,636	2,762
Debtors	11	4,131	3,663
Cash at bank and in hand		4,558	3,873
		<b>12,325</b>	<b>10,298</b>
<b>Creditors: amounts falling due within one year</b>	12	<b>(6,637)</b>	<b>(5,342)</b>
<b>Net current assets</b>		<b>5,688</b>	<b>4,956</b>
<b>Total assets less current liabilities</b>		<b>15,661</b>	<b>14,757</b>
<b>Creditors: amounts falling due after more than one year</b>	13	<b>(5,723)</b>	<b>(6,723)</b>
Provisions for liabilities	14	(370)	(447)
<b>Net assets</b>		<b>9,568</b>	<b>7,587</b>
<b>Capital and reserves</b>			
Called up share capital	15	2,909	2,909
Share premium account		285	285
Other reserves		34	34
Profit and loss account		6,340	4,359
<b>Total shareholders' funds</b>		<b>9,568</b>	<b>7,587</b>

The notes on pages 11 to 20 form part of the financial statements.

The financial statements on pages 8 to 20 were approved by the board of directors on 30 May 2017 and are signed on its behalf by:

A. M. Williams

A M Williams  
Director

# EuroCaps Limited

## Statement of Changes in Equity for the year ended 31 March 2017

	Called up share capital £'000	Share Premium Account £'000	Other Reserves £'000	Profit and loss account £'000	Total Equity £'000
Balance at 1 April 2015	2,909	285	34	2,802	6,030
<b>Total comprehensive income for the year</b>					
Profit or loss				1,557	1,557
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>				1,557	1,557
<b>Transactions with owners, recorded directly in equity</b>					
Dividends	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-
Balance at 1 April 2016	2,909	285	34	4,359	7,587
<b>Total comprehensive income for the year</b>					
Profit or loss				1,981	1,981
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income for the year</b>				1,981	1,981
<b>Transactions with owners, recorded directly in equity</b>					
Dividends	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>2,909</b>	<b>285</b>	<b>34</b>	<b>6,340</b>	<b>9,568</b>

The notes on pages 11 to 20 form part of the financial statements.

# EuroCaps Limited

## Notes to the financial statements for the year ended 31 March 2017

### 1. Accounting policies

EuroCaps Limited (the “Company”) is a company limited by shares and incorporated and domiciled in the United Kingdom.

These financial statements were prepared in accordance with Financial Reporting Standard 102 *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (“FRS 102”) as issued in August 2014. The amendments to FRS 102 issued in July 2015 and effective immediately have been applied.

The Company’s ultimate parent undertaking, DCC plc, includes the Company in its consolidated financial statements. The consolidated financial statements of DCC plc are prepared in accordance with International Financial Reporting Standards as adopted by the EU and are available to the public and may be obtained from DCC House, Leopardstown Road, Foxrock, Dublin 18, Ireland. In these financial statements, the company is considered to be a qualifying entity (for the purposes of this FRS) and has applied the exemptions available under FRS 102 in respect of the following disclosures:

- Reconciliation of the number of shares outstanding from the beginning to the end of the period;
- A Cash Flow Statement and related notes; and
- Disclosures in respect of the compensation of Key Management Personnel.

As the consolidated financial statements of DCC plc include the equivalent disclosures, the Company has also taken the exemptions under FRS 102 available in respect of the following disclosures:

- The disclosures required by FRS 102.11 *Basic Financial Instruments* and FRS 102.12 *Other Financial Instrument Issues* in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

#### Measurement convention

The financial statements are prepared on the historical cost basis.

#### Going concern

The company’s business activities, together with the factors likely to affect its future development and position, are set out in the Business Review section of the Directors’ Report on page 4. The company is expected to continue to generate positive cash flows on its own account for the foreseeable future. The company participates in DCC Plc’s centralised treasury arrangements and so shares banking arrangements with its parent and fellow subsidiaries.

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt about the ability of DCC Plc to continue as a going concern or its ability to continue with the current banking arrangements.

# **EuroCaps Limited**

## **Notes to the financial statements for the year ended 31 March 2017 (continued)**

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

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

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired. Depreciation is calculated so as to write off the cost of tangible fixed assets, less their estimated residual values, on a straight line basis over the expected useful economic lives of the assets concerned. The principal annual rates used for this purpose are:

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The depreciation rates are as follows:

	%
Freehold buildings	2.5
Building Improvements	6 - 15
Plant and machinery	5 - 30
Fixtures and fittings	14 - 20

Depreciation methods, useful lives and residual values are reviewed if there is an indication of a significant change since last annual reporting date in the pattern by which the company expects to consume an asset's future economic benefits.

### **Intangible fixed assets**

#### **Goodwill**

Goodwill is stated at cost less any accumulated amortisation and accumulated impairment losses. Goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination from which it arose.

#### **Research and Development**

Expenditure on research activities is recognised in the profit and loss account as an expense as incurred.

Expenditure on development activities may be capitalised if the product or process is technically and commercially feasible and the Company intends and has the technical ability and sufficient resources to complete development, future economic benefits are probable and if the Company can measure reliably the expenditure attributable to the intangible asset during its development. Development activities involve design for, construction or testing of the production of new or substantially improved products or processes. The expenditure capitalised includes the cost of materials and direct labour. Other development expenditure is recognised in the profit and loss account as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and less accumulated impairment losses.

#### **Amortisation**

Amortisation is charged to the profit or loss on a straight-line basis over the estimated useful lives of intangible assets. Intangible assets are amortised from the date they are available for use. The amortisation rates used are as follows:

	%
Development Costs	8 - 9

# **EuroCaps Limited**

## **Notes to the financial statements for the year ended 31 March 2017 (continued)**

### **Intangible fixed assets (continued)**

The basis for choosing this depreciation rate is the term of the relevant technology license agreement.

Goodwill is amortised on a straight line basis over its useful life. Goodwill has no residual value. The finite useful life of goodwill is estimated to be 5 years.

The company reviews the amortisation period and method when events and circumstances indicate that the useful life may have changed since the last reporting date. Goodwill and other intangible assets are tested for impairment in accordance with Section 27 Impairment of Assets when there is an indication that goodwill or an intangible asset may be impaired.

### **Foreign currencies**

Transactions in foreign currencies are translated into Sterling at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are retranslated into Sterling at the foreign exchange rate ruling at that date.

### **Government grants**

Government grants are included within accruals and deferred income in the balance sheet and credited to the profit and loss account over the expected useful lives of the assets to which they relate or in periods in which the related costs are incurred.

### **Operating leases**

Rentals due under operating leases are charged to the profit and loss account on a straight-line basis over the term of the lease.

### **Stocks and work in progress**

Stocks and work in progress are stated at the lower of cost and net realisable value. Cost is determined on a first in first out basis and in the case of manufactured stocks and work in progress, cost includes an appropriate share of overheads based on normal operating capacity. Where necessary, provision is made for obsolete, slow moving and defective stocks.

### **Turnover**

Turnover is recognised when goods are invoiced, which corresponds to the date that goods are despatched to customers.

Turnover, net of discounts, credit notes and value added tax, is the invoiced value of goods supplied.

### **Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

# EuroCaps Limited

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### Taxation (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

### Pension scheme arrangements

The company operates a defined contribution scheme. Contributions are charged to the profit and loss account in the period in which they are payable.

## 2. Turnover

The company's activities consist of the manufacturing and supply of soft gelatine encapsulation products and the provision of precision engineering services.

	2017 £'000	2016 £'000
Softgel encapsulation	32,712	26,352
Precision engineering services	403	130
	<b>33,115</b>	<b>26,482</b>

The geographical analysis of turnover is as follows:

	2017 £'000	2016 £'000
United Kingdom	19,649	12,596
EU and other European countries	12,975	13,640
USA	349	146
Other	142	100
	<b>33,115</b>	<b>26,482</b>

## 3. Directors' emoluments

	2017 £'000	2016 £'000
<b>Total directors' emoluments</b>		
Aggregate emoluments	731	730
Company pension contribution to money purchase schemes	19	19
	<b>750</b>	<b>749</b>

Retirement benefits are accruing to four (2016: four) directors under money purchase pension arrangements.

Included within administration expenses are ultimate parent company recharges of £785,499 (2016: £404,500) in respect of the company's non-executive directors and other group services.

# EuroCaps Limited

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### Directors' emoluments (continued)

The emoluments of the highest paid director were as follows:

	2017 £'000	2016 £'000
<b>Highest paid director</b>		
Aggregate emoluments	338	348
Company pension contribution to money purchase schemes	-	-
	<b>338</b>	<b>348</b>

### 4. Employee information

The monthly average number of persons (including executive directors) employed by the company during the year was:

	2017 Number	2016 Number
<b>By activity</b>		
Production and selling	198	187
Administration	7	6
	<b>205</b>	<b>193</b>

	2017 £'000	2016 £'000
<b>Staff costs (for the above persons)</b>		
Wages and salaries	5,770	5,314
Social security costs	568	518
Other pension costs	78	74
	<b>6,416</b>	<b>5,906</b>

There were no amounts prepaid or outstanding in relation to pension scheme contributions at the year end.

### 5. Operating profit

Operating profit is stated after charging / (crediting):

	2017 £'000	2016 £'000
Depreciation of tangible fixed assets	1,118	1,039
Loss on disposal of fixed assets	40	-
Amortisation of intangible fixed assets	124	124
Regional Selective Assistance grant	(129)	(257)
Hire of plant and machinery (operating leases)	67	68
Hire of other assets (operating leases)	38	30
<b>Services provided by the company's auditors</b>		
Fees payable for the audit	8	8



# EuroCaps Limited

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 6. Interest payable and similar charges

	2017 £'000	2016 £'000
On loans due within less than 5 years	225	250

### 7. Tax on profit on ordinary activities

	2017 £'000	2016 £'000
Current tax:		
UK corporation tax on profits of the year	567	422
Adjustment in respect of previous years	9	12
<b>Total current tax</b>	<b>576</b>	<b>434</b>
Deferred tax:		
Origination and reversal of timing differences		
Excess of tax allowances over depreciation	(43)	(22)
Impact of change in rates	(25)	(53)
Adjustment in respect of previous years	(9)	(10)
<b>Total deferred tax (note 14)</b>	<b>(77)</b>	<b>(85)</b>
<b>Tax on profit on ordinary activities</b>	<b>499</b>	<b>349</b>

The current tax charge for the year is higher (2016: lower), than the standard rate of corporation tax in the UK of 20% (2016: 20%). The differences are explained below:

	2017 £'000	2016 £'000
<b>Profit on ordinary activities before taxation</b>	<b>2,480</b>	<b>1,906</b>
Profit on ordinary activities multiplied by the standard rate in UK 20% (2016: 20%)	496	381
Effects of:		
- Expenses not deductible for tax purposes	13	10
- Impact of changes in rates	(17)	(51)
Amortisation	7	7
Adjustments in respect of previous years	-	2
<b>Current tax charge for the year</b>	<b>499</b>	<b>349</b>

The Finance Act 2015 included legislation to reduce the rate of UK corporation tax from 20% to 19% from 1 April 2017, and to 18% from 1 April 2020. In addition, the Finance Act 2016 was passed in the year which further reduced the rate of corporation tax by 1% to 17% from 1 April 2020. This further rate reduction was enacted at the balance sheet date and hence this rate is now relevant for measuring deferred tax balances in the UK.

# EuroCaps Limited

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 8. Tangible assets

	Freehold Land £'000	Freehold Buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
<b>Cost</b>					
At 1 April 2016	350	1,704	15,107	1,132	18,293
Additions	-	115	1,256	87	1,458
Disposals	-	-	(1,615)	(393)	(2,008)
<b>At 31 March 2017</b>	<b>350</b>	<b>1,819</b>	<b>14,748</b>	<b>826</b>	<b>17,743</b>
<b>Accumulated depreciation</b>					
At 1 April 2016	-	804	7,439	858	9,101
Charge for year	-	51	977	90	1,118
Disposals	-	-	(1,571)	(393)	(1,964)
<b>At 31 March 2017</b>	<b>-</b>	<b>855</b>	<b>6,845</b>	<b>555</b>	<b>8,255</b>
<b>Net book value</b>					
<b>At 31 March 2017</b>	<b>350</b>	<b>964</b>	<b>7,903</b>	<b>271</b>	<b>9,488</b>
At 31 March 2016	350	900	7,668	274	9,192

### 9. Intangible assets

	Goodwill £'000	Development Costs £'000	Total £'000
<b>Cost</b>			
At 1 April 2016 and 31 March 2017	372	621	993
<b>Accumulated amortisation</b>			
At 1 April 2016	74	310	384
Charge for year	74	50	124
<b>At 31 March 2017</b>	<b>148</b>	<b>360</b>	<b>508</b>
<b>Net book value</b>			
<b>At 31 March 2017</b>	<b>224</b>	<b>261</b>	<b>485</b>
At 31 March 2016	298	311	609

Goodwill relates to the acquisition of certain elements of the business and operating assets of a precision engineering company and has a remaining useful life of three years.

Development costs relate to the development of the production process for vegetarian capsule technology and have a remaining useful life of 5 years.

Capitalised development costs are not treated as a realised loss for the purpose of determining the

# EuroCaps Limited

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### Intangible assets (continued)

Company's distributable profits as the costs meet the conditions requiring them to be treated as an asset in accordance with FRS 102 Section 18.

The amortisation charge is recognised in administrative expenses in the profit and loss account.

### 10. Stocks

	2017 £'000	2016 £'000
Raw materials and consumables	2,249	1,452
Work in progress	65	11
Finished goods and goods for resale	1,322	1,299
	<b>3,636</b>	<b>2,762</b>

### 11. Debtors

	2017 £'000	2016 £'000
<b>Amounts falling due within one year</b>		
Trade debtors	3,602	3,431
Amounts owed by other group undertakings	425	153
Other debtors	1	1
Prepayments and accrued income	103	78
	<b>4,131</b>	<b>3,663</b>

### 12. Creditors: amounts falling due within one year

	2017 £'000	2016 £'000
Trade creditors	4,346	3,168
Amount owed to parent company	5	1
Amounts owed to other group companies	284	256
Payable for group relief	531	386
Taxation and social security	151	138
Other creditors	117	209
Accruals and deferred income	1,203	1,184
	<b>6,637</b>	<b>5,342</b>

### 13. Creditors: amounts falling due after more than one year

	2017 £'000	2016 £'000
Loans from group companies	5,723	6,723
	<b>5,723</b>	<b>6,723</b>

At 31 March 2017, the loans are unsecured and bear interest at LIBOR plus 3.5%. The loans are repayable on 28 February 2023.

# EuroCaps Limited

## Notes to the financial statements for the year ended 31 March 2017 (continued)

### 14. Provisions for liabilities

#### Deferred taxation

The deferred tax liability provided in the financial statements is as follows:

	2017 £'000	2016 £'000
Excess of tax allowances claimed over depreciation	396	465
Short term timing differences	(26)	(18)
	<b>370</b>	<b>447</b>

The movement on the deferred tax liability during the year is analysed below **£'000**

At 1 April 2016	447
Credited to the profit and loss account	(77)
<b>At 31 March 2017</b>	<b>370</b>

### 15. Called up share capital

	2017 £'000	2016 £'000
<b>Allotted, called up and fully paid</b>		
2,909,400 (2016: 2,909,400) Ordinary shares of £1 each	<b>2,909</b>	<b>2,909</b>

### 16. Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	2017		2016	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	38	54	38	54
Two to five years	21	36	59	71
Over five years	-	-	-	-
	<b>59</b>	<b>90</b>	<b>97</b>	<b>125</b>

### 17. Ultimate parent undertaking and controlling party

The ultimate parent undertaking and controlling party is DCC plc, a company incorporated in the Republic of Ireland. DCC plc is the parent undertaking of the largest and smallest group to consolidate these financial statements. Copies of DCC Plc consolidated financial statements can be obtained from the Secretary, DCC plc, DCC House, Leopardstown Road, Foxrock, Co Dublin.

# **EuroCaps Limited**

## **Notes to the financial statements for the year ended 31 March 2017 (continued)**

### **18. Accounting estimates and judgements**

There are no key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

Areas where accounting estimates have been applied in arriving at the carrying amounts of assets or liabilities are provisions for bad debts, provisions for credit notes, provisions for slow moving or obsolete stocks, the useful lives and residual values of tangible and intangible fixed assets and certain accruals.

The fair value of intangibles resulting from business combinations represent the excess of the purchase consideration over the fair values of the assets acquired.