

EuroCaps Limited

**Annual report
for the year ended 31 March 2018**

Registered No: 2878879

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EuroCaps Limited

Annual report for the year ended 31 March 2018

Contents

	Pages
Directors and advisers	2
Strategic report	3
Directors' report	4
Independent auditor's report to the members of EuroCaps Limited	6
Profit and loss account	9
Balance sheet	10
Statement of Changes in Equity	11
Notes to the financial statements	12

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 2018

The directors present their strategic report for the year ended 31 March 2018.

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 9. Turnover increased to just over £36.4m (2017: £33.1m) and profit before taxation increased to almost £3.3m (2017: £2.5m). At the end of the year the company had net assets of just under £12.2m.

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

23 May 2018

EuroCaps Limited

Directors' report for the year ended 31 March 2018

The directors present their report and the audited financial statements for the year ended 31 March 2018.

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 (2017: £nil) was paid during the year. The profit for the financial year of £2,583k (2017 profit: £1,981k) 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 2018 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

KPMG, Chartered Accountants were reappointed as auditors pursuant to section 487 of the Companies Act 2006.

Statement on disclosure of information to auditors

The directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Group's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

EuroCaps Limited

Directors' report for the year ended 31 March 2018 (continued)

Subsequent events

The directors confirm to the best of their knowledge that there have been no subsequent events after the year end that would materially affect the financial statements.

Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements

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 they have elected to prepare the financial statements in accordance with FRS 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 assets, liabilities and financial position of the Company and of its profit or loss for that year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2006.

On behalf of the board

A. M. Williams

A M Williams
Director

Date 23 May 2018



KPMG
Audit
1 Stokes Place
St. Stephen's Green
Dublin 2
D02 DE03
Ireland

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROCAPS LIMITED

Opinion

We have audited the financial statements of Eurocaps Limited ('the Company') for the year ended 31 March 2018 (set out on pages 9 to 21), which comprise the profit and loss account, the balance sheet, the statement of changes in equity and related notes, including the summary of significant accounting policies set out in note 1. The financial reporting framework that has been applied in their preparation is UK Law and FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Company as at 31 March 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland*; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with ethical requirements that are relevant to our audit of financial statements in the UK, including the Financial Reporting Council (FRC)'s Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the strategic and directors' report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROCAPS LIMITED (continued)

Based solely on our work on the other information;

- we have not identified material misstatements in the directors report or the strategic report;
- in our opinion, the information given in the directors' report and the strategic report is consistent with the financial statements;
- in our opinion, the directors' report and the strategic report have been prepared in accordance with the Companies Act 2006.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required 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.

We have nothing to report on these matters/in regard to these matters.

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

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 for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EUROCAPS LIMITED (continued)

A fuller description of our responsibilities is provided on the FRC's website at www.frc.org.uk/auditorsresponsibilities

The purpose of our audit work and to whom we owe our responsibilities

Our 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.

Date: 23 May 2018

Signature:

David Moran (Senior Statutory Auditor)
for and on behalf of KPMG, Statutory Audit Firm,
Chartered Accountants
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

EuroCaps Limited

Profit and Loss Account and Other Comprehensive Income for the year ended 31 March 2018

Registered No: 2878879

	Note	2018 £'000	2017 £'000
Turnover	2	36,444	33,115
Cost of sales		(25,851)	(23,794)
Gross profit		10,593	9,321
Administrative expenses		(7,113)	(6,747)
Other operating income		-	129
Operating profit	5	3,480	2,703
Interest receivable and similar income		5	2
Interest payable and similar charges	6	(222)	(225)
Profit before taxation		3,263	2,480
Tax on profit	7	(680)	(499)
Profit and total comprehensive income for the financial year		2,583	1,981

All of the above results are derived from continuing activities.

The notes on pages 12 to 21 form part of the financial statements.

EuroCaps Limited

Balance Sheet As at 31 March 2018

Registered No: 2878879

	Note	2018 £'000	2017 £'000
Fixed assets			
Tangible assets	8	9,419	9,488
Intangible assets	9	362	485
		9,781	9,973
Current assets			
Stocks	10	3,793	3,636
Debtors	11	5,874	4,131
Cash at bank and in hand		5,841	4,558
		15,508	12,325
Creditors: amounts falling due within one year	12	(7,046)	(6,637)
Net current assets		8,462	5,688
Total assets less current liabilities		18,243	15,661
Creditors: amounts falling due after more than one year	13	(5,723)	(5,723)
Provisions for liabilities	14	(369)	(370)
Net assets		12,151	9,568
Capital and reserves			
Called up share capital	15	2,909	2,909
Share premium account		285	285
Other reserves		-	34
Profit and loss account		8,957	6,340
Total shareholders' funds		12,151	9,568

The notes on pages 12 to 21 form part of the financial statements.

The financial statements on pages 9 to 21 were approved by the board of directors on and are signed on its behalf by:

23 May 2018

A. M. Williams

A M Williams
Director

EuroCaps Limited

Statement of Changes in Equity for the year ended 31 March 2018

	Called up share capital £'000	Share Premium Account £'000	Other Reserves £'000	Profit and loss account £'000	Total Equity £'000
Balance at 1 April 2016	2,909	285	34	4,359	7,587
Total comprehensive income for the year					
Profit or loss				1,981	1,981
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	1,981	1,981
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	-	-
Total contributions by and distributions to owners	-	-	-	-	-
Balance at 1 April 2017	2,909	285	34	6,340	9,568
Total comprehensive income for the year				2,583	2,583
Profit or loss					
Other comprehensive income	-	-	-	-	-
Total comprehensive income for the year	-	-	-	2,583	2,583
Transactions with owners, recorded directly in equity					
Dividends	-	-	-	-	-
Reserve transfer	-	-	(34)	34	-
Total contributions by and distributions to owners	-	-	(34)	34	-
Balance at 31 March 2018	2,909	285	-	8,957	12,151

The notes on pages 12 to 21 form part of the financial statements.

EuroCaps Limited

Notes to the financial statements for the year ended 31 March 2018

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*").

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 Strategic Report on page 3. 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 2018 (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.

EuroCaps Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

Intangible fixed assets (continued)

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

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.

EuroCaps Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

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.

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.

	2018 £'000	2017 £'000
Softgel encapsulation	36,078	32,712
Precision engineering services	366	403
	36,444	33,115

The geographical analysis of turnover is as follows:

	2018 £'000	2017 £'000
United Kingdom	20,208	19,649
EU and other European countries	15,233	12,975
USA	299	349
Other	704	142
	36,444	33,115

EuroCaps Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

3. Directors' emoluments

	2018 £'000	2017 £'000
Total directors' emoluments		
Aggregate emoluments	805	731
Company pension contribution to money purchase schemes	18	19
	823	750

Retirement benefits are accruing to four (2017: four) directors under money purchase pension arrangements.

Included within administration expenses are ultimate parent company recharges of £881,324 (2017: £785,499) in respect of the company's non-executive directors and other group services.

The emoluments of the highest paid director were as follows:

	2018 £'000	2017 £'000
Highest paid director		
Aggregate emoluments	374	338
Company pension contribution to money purchase schemes	-	-
	374	338

4. Employee information

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

	2018 Number	2017 Number
By activity		
Production and selling	210	198
Administration	7	7
	217	205

	2018 £'000	2018 £'000
Staff costs (for the above persons)		
Wages and salaries	6,442	5,770
Social security costs	624	568
Other pension costs	82	78
	7,148	6,416

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

EuroCaps Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

5. Operating profit

Operating profit is stated after charging / (crediting):

	2018 £'000	2017 £'000
Depreciation of tangible fixed assets	1,156	1,118
Loss on disposal of fixed assets	-	40
Amortisation of intangible fixed assets	123	124
Regional Selective Assistance grant	-	(129)
Hire of plant and machinery (operating leases)	75	67
Hire of other assets (operating leases)	38	38
Services provided by the company's auditors		
Fees payable for the audit	9	8

6. Interest payable and similar charges

	2018 £'000	2017 £'000
On loans due within less than 5 years	222	225

7. Tax on profit on ordinary activities

	2018 £'000	2017 £'000
Current tax:		
UK corporation tax on profits of the year	689	567
Adjustment in respect of previous years	(8)	9
Total current tax	681	576
Deferred tax:		
Origination and reversal of timing differences		
Excess of tax allowances over depreciation	(37)	(43)
Impact of change in rates	-	(25)
Adjustment in respect of previous years	36	(9)
Total deferred tax (note 14)	(1)	(77)
Tax on profit on ordinary activities	680	499

EuroCaps Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

7. Tax on profit on ordinary activities (continued)

The current tax charge for the year is higher (2017: higher), than the standard rate of corporation tax in the UK of 19% (2017: 20%). The differences are explained below:

	2018 £'000	2017 £'000
Profit on ordinary activities before taxation	3,263	2,480
Profit on ordinary activities multiplied by the standard rate in UK 19% (2017: 20%)	620	496
Effects of:		
- Expenses not deductible for tax purposes	28	13
- Impact of changes in rates	4	(17)
Amortisation	-	7
Adjustments in respect of previous years	28	-
Current tax charge for the year	680	499

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 has been substantively enacted which further reduced the rate of corporation tax by 1% to 17% from 1 April 2020. As a result of these changes the rate of corporation tax for the year ended 31 March 2018 is 19% (March 2017: 20%) and deferred tax balances have been remeasured to 17% (March 2017: 17%).

8. Tangible assets

	Freehold Land £'000	Freehold Buildings £'000	Plant and machinery £'000	Fixtures and fittings £'000	Total £'000
Cost					
At 1 April 2017	350	1,819	14,748	826	17,743
Additions	-	23	786	278	1,087
Disposals	-	-	-	(180)	(180)
At 31 March 2018	350	1,842	15,534	924	18,650
Accumulated depreciation					
At 1 April 2017	-	855	6,845	555	8,255
Charge for year	-	56	998	102	1,156
Disposals	-	-	-	(180)	(180)
At 31 March 2018	-	911	7,843	477	9,231
Net book value					
At 31 March 2018	350	931	7,691	447	9,419
At 31 March 2017	350	964	7,903	271	9,488

EuroCaps Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

9. Intangible assets

	Goodwill £'000	Development Costs £'000	Total £'000
Cost			
At 1 April 2017 and 31 March 2018	372	621	993
Accumulated amortisation			
At 1 April 2017	148	360	508
Charge for year	74	49	123
At 31 March 2018	222	409	631
Net book value			
At 31 March 2018	150	212	362
At 31 March 2017	224	261	485

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 two years.

Development costs relate to the development of the production process for vegetarian capsule technology and have a remaining useful life of 4 years.

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

	2018 £'000	2017 £'000
Raw materials and consumables	2,769	2,249
Work in progress	41	65
Finished goods and goods for resale	983	1,322
	3,793	3,636

11. Debtors

	2018 £'000	2017 £'000
Amounts falling due within one year		
Trade debtors	5,449	3,602
Amounts owed by other group undertakings	298	425
Other debtors	14	1
Prepayments and accrued income	113	103
	5,874	4,131

EuroCaps Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

12. Creditors: amounts falling due within one year

	2018 £'000	2017 £'000
Trade creditors	4,530	4,346
Amount owed to parent company	-	5
Amounts owed to other group companies	284	284
Payable for group relief	663	531
Taxation and social security	160	151
Other creditors	220	117
Accruals and deferred income	1,189	1,203
	7,046	6,637

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

	2018 £'000	2017 £'000
Loans from group companies	5,723	5,723
	5,723	6,723

At 31 March 2018, the loans are unsecured and bear interest at LIBOR plus 3.5%. The loans are repayable on 28 February 2023.

14. Provisions for liabilities

Deferred taxation

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

	2018 £'000	2017 £'000
Excess of tax allowances claimed over depreciation	395	396
Short term timing differences	(26)	(26)
	369	370

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

At 1 April 2017	370
Credited to the profit and loss account	(1)
At 31 March 2018	369

15. Called up share capital

	2018 £'000	2017 £'000
Allotted, called up and fully paid		
2,909,400 (2017: 2,909,400) Ordinary shares of £1 each	2,909	2,909

EuroCaps Limited

Notes to the financial statements for the year ended 31 March 2018 (continued)

16. Capital Commitments

	2018 £'000	2017 £'000
Contracts placed for future capital expenditure not provided in the in the financial statements	269	-

17. Operating Leases

Non-cancellable operating lease rentals are payable as follows:

	2018		2017	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Within one year	38	58	38	54
Two to five years	60	64	21	36
Over five years	-	-	-	-
	98	122	59	90

18. 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.

19. 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.