

# COMPANIES HOUSE COPY

## ACB U.K. Limited

Report and Financial Statements

Period Ended

31 March 2013

Company Number 03574714



# **ACB U.K. Limited**

## **Report and financial statements for the period ended 31 March 2013**

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### **Directors**

Thomas Frey  
Frederick Withers  
Ayman Saleh Attia Soliman El Ghargomi

### **Secretary and registered office**

Frederick Withers, Stanley House, 27 Wellington Road, Bilston, Wolverhampton, West Midlands, WV14 6AH

### **Company number**

03574714

### **Auditors**

BDO LLP, 125 Colmore Row, Birmingham, B3 3SD

# **ACB U.K. Limited**

## **Report of the directors for the period ended 31 March 2013**

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The directors present their report together with the audited financial statements for the period ended 31 March 2013

### **Principal activities**

The company's principal activity continues to be that of decanting and the distribution of Carbon Black.

### **Results and dividends**

The consolidated profit and loss account is set out on page 5 and shows a loss for the financial period of £404,586 (2012 - profit of £125,914)

No dividend has been paid during the period

### **Review of business, future developments and key performance indicators**

As expected 2013 saw key customers continue to scale back production at facilities across Europe in light of the uncertainty in European markets resulting in a reduction in the decanted tonnage. The impact upon the group's turnover has been mitigated by the increasing price of crude oil, the main commodity utilised in the production of Carbon Black. Although the continuing increase in the price of crude oil has resulted in margins dropping following pressure from customers.

The group operates from 3 main sites around Europe, with the UK site servicing its home market, the Spanish site servicing Spain and Portugal and the Belgium site servicing the rest of Europe.

During 2010 a new entity was incorporated in Italy with the purpose of servicing its home market. It has been difficult for the group to generate significant results from this market with the Italian entity contributing only 0.4% of turnover in 2012. Following the low performance the directors took the decision to exit the Italian market with the entity becoming dormant.

The continuing economic uncertainties being faced in Europe and Government austerity measures being faced throughout the European markets leads the directors to believe the remainder of 2013 and 2014 will continue to present a challenging environment.

### **Principle risks and uncertainties**

The group has an established, structured approach to risk management. The group's activities expose it to a variety of financial risks, including price, credit, liquidity and cashflow. The group has adopted risk management policies that seek to mitigate these risks in a cost effective manner, these include the monitoring of customers balances on account, global supply agreements (through the parent company) and monitoring of available cash reserves. Financial liabilities that expose the group to financial risk, as the group currently has net current and net overall liabilities, consist of amounts owed to the parent, Alexandria Carbon Black Co SAE. However assurance has been gained that the parent will continue to allow the group sufficient time in which to repay debts without forcing it into a position whereby it would not be able to meet its liabilities as they fall due.

### **Policy and practice on the payment of creditors**

The company honours its contractual and other legal obligations and will continue to honour all terms of payment agreed with its suppliers.

The number of average days purchases of the company represented by trade creditors at 31 March 2013 was 108 (2012 – 84), however as noted the majority of the creditor balance, 98% (2012 – 98%) is due to the parent, Alexandria Carbon Black Co SAE. The directors have obtained assurance that the parent entity will continue to offer support for the foreseeable future.

# **ACB U.K. Limited**

## **Report of the directors for the period ended 31 March 2013 (continued)**

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### **Directors**

The directors of the company during the period were

Sabyaschi Patnaik (resigned 1 July 2013)

Rajesh Kedia (resigned 1 July 2013)

Thomas Frey

Frederick Withers

Ayman Saleh Attia Soliman El Ghargomi

### **Directors' responsibilities**

The directors are responsible for preparing the directors' report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the group and company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group 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.

## ACB U.K. Limited

### Report of the directors for the period ended 31 March 2013 (*continued*)

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#### Auditors

All of the current directors have taken all the steps that they ought to have taken to make themselves aware of any information needed by the company's auditors for the purposes of their audit and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the auditors are unaware.

BDO LLP have expressed their willingness to continue in office and a resolution to re-appoint them will be proposed at the annual general meeting.

#### On behalf of the board

Thomas Frey  
Director



03.12.2013

# **ACB U.K. Limited**

## **Independent auditor's report**

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### **To the members of ACB U.K. Limited**

We have audited the financial statements of ACB U K Limited for the 3 month period ended 31 March 2013 which comprise the consolidated profit and loss account, the consolidated and company balance sheets, the consolidated cash flow statement, the consolidated statement of total recognised gains and losses and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

### **Respective responsibilities of directors and auditors**

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

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the 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 group's and the parent company's affairs as at 31 March 2013 and of the group's loss for the period then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

# ACB U.K. Limited

## Independent auditor's report (*continued*)

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### Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements

### 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us, or
- the parent company 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

*Handwritten signature:*  
BDO LLP  
5 December 2012

Thomas Lawton (*senior statutory auditor*)  
For and on behalf of BDO LLP, *statutory auditor*  
Birmingham  
United Kingdom

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127)

# ACB U.K. Limited

## Consolidated profit and loss account for the period ended 31 March 2013

	Note	3 months ended 31 March 2013 £	Year ended 31 December 2012 £
<b>Turnover</b>	2	<b>17,784,411</b>	69,508,244
Cost of sales		<b>17,639,828</b>	66,069,869
<b>Gross profit</b>		<b>144,583</b>	3,438,375
Administrative expenses		<b>591,696</b>	3,257,468
<b>Group operating (loss)/profit</b>	3	<b>(447,113)</b>	180,907
Other interest receivable and similar income		360	7,161
Interest payable and similar charges	6	<b>(25,019)</b>	(17,286)
<b>(Loss)/profit on ordinary activities before taxation</b>		<b>(471,772)</b>	170,782
Taxation on (loss)/profit on ordinary activities	7	<b>65,479</b>	(44,641)
<b>(Loss)/profit on ordinary activities after taxation</b>		<b>(406,293)</b>	126,141
Minority interest		<b>1,707</b>	(227)
<b>(Loss)/profit for the financial period/year</b>	16	<b>(404,586)</b>	125,914

All amounts relate to continuing activities

The notes on pages 13 to 28 form part of these financial statements



# ACB U.K. Limited

## Consolidated statement of total recognised gains and losses for the period ended 31 March 2013

		3 months ended 31 March	Year ended 31 December
	Note	2013 £	2012 £
<b>Consolidated statement of total recognised gains and losses</b>			
(Loss)/profit for the financial period/year		(404,586)	125,914
Total gains and losses for the period/year before currency adjustments		(404,586)	125,914
Exchange translation differences on consolidation	16	3,223	3,114
<b>Total recognised gains and losses for the financial period/year</b>		<b>(401,363)</b>	<b>129,028</b>

The notes on pages 13 to 28 form part of these financial statements

# ACB U.K. Limited

## Consolidated balance sheet at 31 March 2013

*Company number 03574714*

	Note	31 March 2013 £	31 March 2013 £	31 December 2012 £	31 December 2012 £
<b>Fixed assets</b>					
Tangible assets	9		192,012		182,417
<b>Current assets</b>					
Stocks	11	4,948,348		4,283,105	
Debtors	12	14,422,574		9,476,023	
Cash at bank and in hand		2,110,766		1,362,732	
		<u>21,481,688</u>		<u>15,121,860</u>	
Amounts owed to parent	13	20,504,564		13,819,862	
Other	13	<u>1,520,161</u>		<u>1,364,531</u>	
<b>Creditors: amounts falling due within one year</b>		<u>22,024,725</u>		<u>15,184,393</u>	
<b>Net current liabilities</b>			<u>(543,037)</u>		<u>(62,533)</u>
<b>Total assets less current liabilities</b>			<u>(351,025)</u>		<u>119,884</u>
<b>Provisions for liabilities</b>	14		<u>(65,081)</u>		<u>2,758</u>
			<u>(285,944)</u>		<u>117,126</u>

The notes on pages 13 to 28 form part of these financial statements

# ACB U.K. Limited

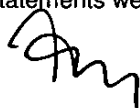
## Consolidated balance sheet at 31 March 2013 (continued)

	Note	31 March 2013 £	31 March 2013 £	31 December 2012 £	31 December 2012 £
<b>Capital and reserves</b>					
Called up share capital	15		1,000		1,000
Profit and loss account	16		(285,874)		115,489
<b>Shareholders' (deficit)/funds</b>	17		(284,874)		116,489
<b>Minority interests</b>			(1,070)		637
			(285,944)		117,126

The financial statements were approved by the board of directors and authorised for issue on

03.12.2013

Thomas Frey  
Director



The notes on pages 13 to 28 form part of these financial statements

# ACB U.K. Limited

## Company balance sheet at 31 March 2013

**Company number 03574714**

	Note	31 March 2013 £	31 March 2013 £	31 December 2012 £	31 December 2012 £
<b>Fixed assets</b>					
Tangible assets	9		19,337		19,073
Fixed asset investments	10		22,596		22,596
			<u>41,933</u>		<u>41,669</u>
<b>Current assets</b>					
Stocks	11	841,666		824,542	
Debtors	12	4,303,206		2,868,908	
Cash at bank and in hand		805,276		1,095,165	
		<u>5,950,148</u>		<u>4,788,615</u>	
Amounts owed to parent	13	5,428,090		4,463,049	
Other	13	417,980		232,758	
		<u>5,846,070</u>		<u>4,695,807</u>	
<b>Creditors: amounts falling due within one year</b>					
			<u>104,078</u>		<u>92,808</u>
<b>Net current assets</b>					
			<u>146,011</u>		<u>134,477</u>
<b>Total assets less current liabilities</b>					
			<u>3,006</u>		<u>2,758</u>
<b>Provisions for liabilities</b>	14				
			<u>143,005</u>		<u>131,719</u>

The notes on pages 13 to 28 form part of these financial statements

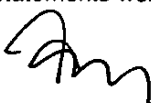
## ACB U.K. Limited

### Company balance sheet at 31 March 2013 (*continued*)

	Note	31 March 2013 £	31 March 2013 £	31 December 2012 £	31 December 2012 £
<b>Capital and reserves</b>					
Called up share capital	15		1,000		1,000
Profit and loss account	16		142,005		130,719
			<hr/>		<hr/>
<b>Shareholders' funds</b>	17		143,005		131,719
			<hr/>		<hr/>

The financial statements were approved by the board of directors and authorised for issue on 03.12.2013

Thomas Frey  
Director



The notes on pages 13 to 28 form part of these financial statements

# ACB U.K. Limited

## Consolidated cashflow statement for the period ended 31 March 2013

		3 months ended 31 March	3 months ended 31 March	Year ended 31 December	Year ended 31 December
	Note	2013 £	2013 £	2012 £	2012 £
<b>Net cash inflow from operating activities</b>	21		844,276		376,606
<b>Returns on investments and servicing of finance</b>					
Interest received		360		7,161	
Interest paid other loans		(25,019)		(17,286)	
<b>Net cash outflow from returns on investments and servicing of finance</b>			(24,659)		(10,125)
<b>Taxation</b>					
Corporation tax paid			-		(49,554)
<b>Capital expenditure and financial investment</b>					
Payments to acquire tangible fixed assets		(16,360)		(20,556)	
Receipts from sale of tangible fixed assets		-		1,014	
<b>Net cash outflow from capital expenditure and financial investment</b>			(16,360)		(19,542)
<b>Increase in cash</b>	22		803,257		297,385

The notes on pages 13 to 28 form part of these financial statements

# ACB U.K. Limited

## Notes forming part of the financial statements for the period ended 31 March 2013

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### 1 Accounting policies

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

The following principal accounting policies have been applied

#### *Basis of preparation*

The group's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review on page 1

The group is currently showing a net liability of £285,944, accordingly the directors have considered the implications on the group's ability to continue as a going concern. The directors have obtained confirmation from the parent undertaking, Alexandria Carbon Black Co SAE which represents the largest single creditor, that it will continue to support and make available such funds as needed by the company and group to enable it to continue to trade for a period of at least 12 months from the date of approval of these financial statements. This includes not forcing payment of liabilities owed by the company and group to the parent. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that the support will continue, although, at the date of approval of these financial statements, they have no reason to believe that it will not do so.

The directors, therefore, have a reasonable expectation that the group and company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### *Basis of consolidation*

The consolidated financial statements incorporate the results of ACB U K Limited and all of its subsidiary undertakings as at 31 March 2013 using the acquisition method of accounting as required. Where the acquisition method is used, the results of subsidiary undertakings are included from the date of acquisition.

#### *Turnover*

Turnover represents sales to external customers at invoiced amounts less value added tax or local taxes on sales. Revenue is recognised when the risks and rewards of ownership are transferred to the customer in accordance with the transactions terms of shipping.

#### *Depreciation*

Depreciation is provided to write off the cost, less estimated residual values, of all tangible fixed assets, except freehold land, evenly over their expected useful lives. It is calculated at the following rates:

Buildings	- Straight line over 50 years
Leasehold property	- Over the period of the lease
Plant and machinery	- 15% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance
Computer equipment	- 25% reducing balance

#### *Valuation of investments*

Investments held as fixed assets are stated at cost less any provision for impairment. Investments held as current assets are stated at the lower of cost and net realisable value.

# ACB U.K. Limited

## Notes forming part of the financial statements for the period ended 31 March 2013 (*continued*)

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### 1 Accounting policies (*continued*)

#### *Impairment of fixed assets and goodwill*

The need for any fixed asset impairment write-down is assessed by comparison of the carrying value of the asset against the higher of realisable value and value in use

#### *Stocks*

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

#### *Foreign currency*

Foreign currency transactions of individual companies are translated at the rates ruling when they occurred. Foreign currency monetary assets and liabilities are translated at the rates ruling at the balance sheet date. Any differences are taken to the profit and loss account.

The results of overseas operations are translated at the average rates of exchange during the year and the balance sheet translated into sterling at the rates of exchange ruling on the balance sheet date. Exchange differences which arise from translation of the opening net assets and results of foreign subsidiary undertakings are taken to reserves.

All other differences are taken to the profit and loss account.

#### *Financial instruments*

Financial instruments are measured initially and subsequently at cost.

#### *Deferred taxation*

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the group anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

#### *Operating leases*

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

#### *Provisions*

Provisions are recognised when a present obligation exists as a result of a past event and are measured at the directors' best estimate of the costs to settle that obligation.



## ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 *(continued)*

### 2 Turnover

	3 months ended 31 March	Year ended 31 December
	2013 £	2012 £
Analysis by geographical market		
United Kingdom	3,889,968	11,882,357
Europe	13,894,443	57,615,944
Rest of the world	-	9,943
	<u>17,784,411</u>	<u>69,508,244</u>

Turnover is wholly attributable to the principal activity of the group

### 3 Operating (loss)/profit

	3 months ended 31 March 2013 £	Year ended 31 December 2012 £
This is arrived at after charging/(crediting).		
Depreciation of tangible fixed assets	13,800	53,681
Profit on disposal of tangible fixed assets	-	(1,014)
Hire of plant and machinery - operating leases	4,713	16,557
Hire of other assets - operating leases	69,074	242,690
Fees payable to the company's auditor or an associate of the company's auditor for the auditing of the company's annual accounts	17,500	17,500
Exchange differences	2,905	-
	<u>118,092</u>	<u>329,414</u>

# ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 (*continued*)

## 4 Employees

Staff costs (including directors) consist of

	Group 3 months ended 31 March 2013 £	Group Year ended 31 December 2012 £
Wages and salaries	90,047	381,966
Social security costs	39,639	107,006
	<u>129,686</u>	<u>488,972</u>

The average number of employees (including directors) during the period/year was as follows

	Group 3 months ended 31 March 2013 Number	Group Year ended 31 December 2012 Number
Production	9	9
Administration	6	6
	<u>15</u>	<u>15</u>

## 5 Directors' remuneration

The company's directors are remunerated through the parent company Alexandria Carbon Black Co SAE. Accordingly, no director received any emoluments during the current period (2012 - £Nil).

## 6 Interest payable and similar charges

	3 months ended 31 March 2013 £	Year ended 31 December 2012 £
Other interest	25,019	17,286
	<u>25,019</u>	<u>17,286</u>

# ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 *(continued)*

## 7 Taxation on (loss)/profit on ordinary activities

	3 months ended 31 March	Year ended 31 December
	2013 £	2012 £
<i>UK Corporation tax</i>		
Current tax on profits of the period/year	2,360	4,922
Adjustment in respect of previous periods	-	429
	<u>2,360</u>	<u>5,351</u>
<i>Foreign tax</i>		
Overseas tax	(68,087)	39,633
	<u>(65,727)</u>	<u>44,984</u>
<i>Deferred tax</i>		
Origination and reversal of timing differences - UK	248	(343)
	<u>248</u>	<u>(343)</u>
Taxation on (loss)/profit on ordinary activities	<u>(65,479)</u>	<u>44,641</u>

# ACB U.K. Limited

## Notes forming part of the financial statements for the period ended 31 March 2013 (continued)

### 7 Taxation on (loss)/profit on ordinary activities (continued)

The tax assessed for the period/year is different to the standard rate of corporation tax in the UK applied to (loss)/profit before tax. The differences are explained below.

	3 months ended 31 March	Year ended 31 December
	2013 £	2012 £
(Loss)/profit on ordinary activities before tax	(471,772)	170,782
(Loss)/profit on ordinary activities at the standard rate of corporation tax in the UK of 21% (2012 - 24%)	(99,072)	40,988
Effect of		
Expenses not deductible for tax purposes	574	(5,860)
Depreciation for period in excess of capital allowances	249	446
Utilisation of tax losses	-	1,149
Adjustment to tax charge in respect of previous periods	-	429
Marginal relief	-	(217)
Effect of overseas tax rates	(52,807)	8,049
Tax losses carried forward	85,329	-
Current tax (credit)/charge for the period/year	(65,727)	44,984

It was announced during the Autumn statement in December 2012 that the main rate of UK corporation tax will reduce to 22% over a period of 2 years from 1 April 2012. The first reduction in the UK corporation tax rate from 26% to 24% (effective from 1 April 2012) was substantively enacted on 5 July 2011. A further reduction to 23% (effective from 1 April 2013) was substantively enacted on 3 July 2012 and the reduction to 22% (effective from 1 April 2014) has not yet been substantively enacted. This will reduce the company's future tax charge accordingly.

### 8 Profit for the financial year

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The group loss for the period includes a profit after tax of £11,286 (2012 - £14,546) which is dealt with in the financial statements of the parent company.

# ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 *(continued)*

## 9 Tangible fixed assets

### Group

	Short leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 1 January 2013	40,930	844,986	93,723	979,639
Additions	-	15,366	994	16,360
Exchange adjustments	-	32,038	1,595	33,633
	<u>40,930</u>	<u>892,390</u>	<u>96,312</u>	<u>1,029,632</u>
At 31 March 2013	<b>40,930</b>	<b>892,390</b>	<b>96,312</b>	<b>1,029,632</b>
<i>Depreciation</i>				
At 1 January 2013	40,930	701,929	54,363	797,222
Provided for the period	-	12,617	1,183	13,800
Exchange adjustments	-	25,601	997	26,598
	<u>40,930</u>	<u>740,147</u>	<u>56,543</u>	<u>837,620</u>
At 31 March 2013	<b>40,930</b>	<b>740,147</b>	<b>56,543</b>	<b>837,620</b>
<i>Net book value</i>				
At 31 March 2013	-	152,243	39,769	192,012
	<u>-</u>	<u>152,243</u>	<u>39,769</u>	<u>192,012</u>
At 31 December 2012	-	143,057	39,360	182,417
	<u>-</u>	<u>143,057</u>	<u>39,360</u>	<u>182,417</u>

# ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 (*continued*)

## 9 Tangible fixed assets (*continued*)

### Company

	Short leasehold property £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 1 January 2013	40,930	151,567	6,033	198,530
Additions	-	-	994	994
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	40,930	151,567	7,027	199,524
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2013	40,930	133,185	5,342	179,457
Provided for the period	-	688	42	730
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 March 2013	40,930	133,873	5,384	180,187
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 March 2013	-	17,694	1,643	19,337
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2012	-	18,382	691	19,073
	<hr/>	<hr/>	<hr/>	<hr/>

# ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 *(continued)*

## 10 Fixed asset investments

### Company

	Group undertakings £
<i>Cost</i>	
At 1 January 2013 and 31 March 2013	22,596

### *Subsidiary undertakings*

The principal undertakings in which the company's interest at the period end is 20% or more are as follows

	Country of incorporation or registration	Class of share capital held	Proportion of share capital held	Nature of business	Last year end
<i>Subsidiary undertakings</i>					
ACB (Belgium) BVBA	Belgium	Ordinary €23	99.33%	Carbon Black decanting	31 March 2013
ACB Decanting Services S L	Spain	Ordinary €10	100%	Carbon Black decanting	31 March 2013
ACB Italy Srl	Italy	Ordinary €1	100%	Dormant	31 December 2012

All investments are included within the consolidated financial statements as a result of the proportion of share capital held within the immediate group. All subsidiaries are direct subsidiaries.

The amounts consolidated in relation to the ACB Italy Srl represent the financial position at and performance to 31 March 2013.

# ACB U.K. Limited

## Notes forming part of the financial statements for the period ended 31 March 2013 (continued)

### 11 Stocks

	Group 31 March 2013 £	Group 31 December 2012 £	Company 31 March 2013 £	Company 31 December 2012 £
Finished goods and goods for resale	4,948,348	4,283,105	841,666	824,542

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

### 12 Debtors

	Group 31 March 2013 £	Group 31 December 2012 £	Company 31 March 2013 £	Company 31 December 2012 £
Trade debtors	13,286,080	8,787,698	4,172,378	2,717,163
Amounts owed by group undertakings	-	-	-	123,369
Other debtors	1,097,268	658,134	91,606	-
Prepayments and accrued income	39,226	30,191	39,222	28,376
	14,422,574	9,476,023	4,303,206	2,868,908

All amounts shown under debtors fall due for payment within one year

### 13 Creditors. amounts falling due within one year

	Group 31 March 2013 £	Group 31 December 2012 £	Company 31 March 2013 £	Company 31 December 2012 £
Bank loans and overdrafts (secured)	606,326	645,285	-	-
Trade creditors	428,320	262,248	30,158	8,642
Amounts owed to group undertakings	20,504,564	13,819,862	5,430,312	4,513,862
Corporation tax	40,259	38,008	7,281	4,922
Other taxation and social security	371,867	156,488	338,753	127,140
Other creditors	13,535	219,759	-	-
Accruals and deferred income	59,854	42,743	39,566	41,241
	22,024,725	15,184,393	5,846,070	4,695,807



# ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 *(continued)*

## 14 Provisions for liabilities

### Group and company

	Company deferred taxation £	Overseas deferred taxation £	Group and company total £
At 1 January 2013	2,758	-	2,758
Movement in period	248	(68,087)	(67,839)
	<hr/>	<hr/>	<hr/>
At 31 March 2013	3,006	(68,087)	(65,081)
	<hr/>	<hr/>	<hr/>

### Deferred taxation

	Group and company 31 March 2013 £	Group and company 31 December 2012 £
Accelerated capital allowances	3,006	2,758
Unutilised tax losses	(68,087)	-
	<hr/>	<hr/>
	(65,081)	2,758
	<hr/>	<hr/>

The deferred tax provided for is in relation to accelerated capital allowances

## 15 Share capital

	31 March 2013 £	31 December 2012 £
<i>Allotted, called up and fully paid</i>		
100 Ordinary shares of £10 each	1,000	1,000
	<hr/>	<hr/>

# ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 (*continued*)

## 16 Reserves

### Group

	Profit and loss account £
At 1 January 2013	115,489
Translation differences on foreign currency net investments in subsidiary undertakings	3,223
Loss for the period	(404,586)
	<hr/>
At 31 March 2013	(285,874)
	<hr/>

### Company

	Profit and loss account £
At 1 January 2013	130,719
Profit for the period	11,286
	<hr/>
At 31 March 2013	142,005
	<hr/>

## 17 Reconciliation of movements in shareholders' (deficit)/funds

	Group 31 March 2013 £	Group 31 December 2012 £	Company 31 March 2013 £	Company 31 December 2012 £
(Loss)/profit for the period/year	(404,586)	125,914	11,286	14,546
Other net recognised gains and losses relating to the period	3,223	3,114	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Net (deductions from)/additions to shareholders' (deficit)/funds	(401,363)	129,028	11,286	14,546
Opening shareholders' funds/(deficit)	116,489	(12,539)	131,719	117,173
	<hr/>	<hr/>	<hr/>	<hr/>
Closing shareholders' (deficit)/funds	(284,874)	116,489	143,005	131,719
	<hr/>	<hr/>	<hr/>	<hr/>

# ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 (continued)

## 18 Contingent liabilities

During the prior period the group entered into a non-recourse receivables purchasing agreement with Standard Chartered Bank, subject to certain conditions. All group companies are jointly and severally liable under cross guarantee arrangements together with the parent, Alexandria Carbon Black Co SAE, for any sums payable or owing to the lender in connection with this facility. At the period end the total debts sold (including Alexandria Carbon Black Co SAE) amounted to \$7.4m (2012 - \$28.5m).

## 19 Commitments under operating leases

The group had annual commitments under non-cancellable operating leases as set out below

	Land and buildings 31 March 2013 £	Other 31 March 2013 £	Land and buildings 31 December 2012 £	Other 31 December 2012 £
Operating leases which expire				
Within one year	70,495	3,369	106,997	5,478
In two to five years	16,268	-	26,749	-
	<u>86,763</u>	<u>3,369</u>	<u>133,746</u>	<u>5,478</u>

The company had annual commitments under non-cancellable operating leases as set out below

	Other 31 March 2013 £	Other 31 December 2012 £
Operating leases which expire		
Within one year	<u>3,369</u>	<u>5,478</u>

# ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 (*continued*)

## 20 Related party disclosures

The company has taken advantage of the exemption conferred by Financial Reporting Standard 8 'Related party disclosures' not to disclose transactions between itself and 100% owned subsidiaries within the group

### *Group related party transactions and balances*

	Sales to related parties	Purchases from related parties	Amounts owed by related parties	Amounts owed to related parties
	£	£	£	£
<b>2013</b>				
Alexandria Carbon Black Co SAE	-	19,227,042	-	20,504,564
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>2012</b>				
Alexandria Carbon Black Co SAE	9,942	62,196,084	-	13,819,862
Columbian Carbon Europa	2,227	-	-	-
Columbian Carbon Spain	1,146	-	-	-
Columbian Carbon Tizjauvaros	28,653	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

### *Company related party transactions and balances*

<b>2013</b>				
Alexandria Carbon Black Co SAE	-	4,293,428	-	5,428,090
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>2012</b>				
Alexandria Carbon Black Co SAE	-	11,018,474	-	4,463,049
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Alexandria Carbon Black Co SAE is a related party of the group and company as a result of being the parent of the group and company

Columbian Carbon entities are related companies as a result of the influence of common control through Alexandria Carbon Black Co SAE's investment in Columbian Chemicals, the holding company of these entities

# ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 (*continued*)

## 21 Reconciliation of operating (loss)/profit to net cash inflow from operating activities

	3 months ended 31 March	Year ended 31 December
	2013 £	2012 £
Operating (loss)/profit	(447,113)	180,907
Depreciation of tangible fixed assets	13,800	53,681
Profit on sale of tangible fixed assets	-	(1,014)
(Increase)/decrease in stocks	(485,976)	3,375,789
(Increase)/decrease in debtors	(4,654,573)	9,425,674
Increase/(decrease) in creditors	6,418,138	(12,658,431)
	<hr/>	<hr/>
Net cash inflow from operating activities	844,276	376,606
	<hr/>	<hr/>

## 22 Reconciliation of net cash flow to movement in net funds

	3 months ended 31 March	Year ended 31 December
	2013 £	2012 £
Increase in cash	803,257	297,385
Exchange translation	(16,264)	2,315
	<hr/>	<hr/>
Movement in net funds	786,993	299,700
Opening net funds	717,447	417,747
	<hr/>	<hr/>
Closing net funds	1,504,440	717,447
	<hr/>	<hr/>

## ACB U.K. Limited

Notes forming part of the financial statements  
for the period ended 31 March 2013 *(continued)*

### 23 Analysis of net funds

	At 1 January 2013 £	Cash flow £	Exchange adjustment £	At 31 March 2013 £
Cash at bank and in hand	1,362,732	736,513	11,521	2,110,766
Bank overdrafts	(645,285)	66,744	(27,785)	(606,326)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	717,447	803,257	(16,264)	1,504,440
	<hr/>	<hr/>	<hr/>	<hr/>

### 24 Ultimate parent company and parent undertaking of larger group

The immediate and ultimate parent undertaking is Alexandria Carbon Black Co SAE, incorporated in Egypt. The smallest and largest group in which the results of the company are consolidated is that headed by Alexandria Carbon Black Co SAE.

The consolidated accounts of Alexandria Carbon Black Co SAE, are not available to the public.