

Aalberts Industries U.K. Limited

**Annual report and financial statements
for the year ended 31 December 2015**

Registered number: 3596780



Aalberts Industries U.K. Limited

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Aalberts Industries U.K. Limited

Strategic report

Review of the business

The principal activity of the Company during the year was to act as an investment company in subsidiary undertakings. The company did not trade in the current or previous year.

Key performance indicators

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Principal risks and uncertainties

The Company does not trade and therefore the principal risk and uncertainty faced by it is support from the ultimate parent to cover the investments, the Company is in receipt of a letter confirming support from the ultimate parent Aalberts Industries N.V.

Future developments

The Company will continue to operate as an investment company for the foreseeable future. Details of events that have occurred after the balance sheet date can be found in note 12 of the financial statements.



Kevin Parker

Secretary

St Catherine's Avenue, Doncaster, South Yorkshire, DN4 8DF

Aalberts Industries U.K. Limited

Directors' responsibilities statement

The directors present their annual report on the affairs of the Company, together with the financial statements and auditor's report, for the year ended 31 December 2015.

Dividends

The directors do not recommend a dividend for the year (2014: £nil).

Directors

The directors, who served throughout the year and subsequently were as follows:

I M Howarth

W Pelsma

J Eijgendaal

Going Concern

The directors have assessed the financial performance of the Company along with the support provided by the group and have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis in preparing the annual financial statements.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the director has taken all the steps that he/she ought to have taken as a director in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP will be proposed at the forthcoming Annual General Meeting.

Approval of reduced disclosures

The Company, as a qualifying entity, has taken advantage of the disclosure exemptions in FRS 102 paragraph 1.12. The Company's shareholder/s have been notified in writing about the intention to take advantage of the disclosure exemptions and no objections have been received.

The Company also intend to take advantage of these exemptions in the financial statements to be issued in the following year. Objections may be served on the Company by Aalberts Industries N.V., as the immediate parent of the entity, or by a shareholder/s holding in aggregate 5 per cent or more of the total allocated shares in the Company or more than half of the allotted shares in the entity not held by Aalberts Industries N.V. as the immediate parent.

Approved by the Board and signed on its behalf by:



Kevin Parker

Secretary

St Catherine's Avenue, Doncaster, South Yorkshire, DN4 8DF

Aalberts Industries U.K. Limited

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including 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 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; and
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent auditor's report to the members of Aalberts Industries U.K. Limited

We have audited the financial statements of Aalberts Industries U.K. Limited for the year ended 31 December 2015 which comprise the Profit and Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, and the related notes 1 to 15. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), 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, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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.



Christopher Powell FCA
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
Leeds, UK

21 November 2016

Aalberts Industries U.K. Limited

Profit and loss account

For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Administrative expenses		(962)	(1,095)
Operating profit		(962)	(1,095)
Finance costs (net)	3	2,290	486
Profit/(Loss) on ordinary activities before taxation	4	1,328	(609)
Tax on profit on ordinary activities	6	(35)	(5)
Profit/(Loss) for the financial year attributable to the equity shareholders of the Company		1,293	(614)

Aalberts Industries U.K. Limited

Statement of comprehensive income For the year ended 31 December 2015

	Note	2015 £'000	2014 £'000
Profit/(Loss) for the financial year		1,293	(614)
Other comprehensive income		-	-
Total comprehensive income attributable to equity shareholders of the Company		<u>1,293</u>	<u>(614)</u>

Aalberts Industries U.K. Limited

Balance sheet At 31 December 2015

	Note	2015 £'000	2014 £'000
Fixed assets			
Intangible assets	7	8,535	9,468
Investments	8	76,727	76,727
		<u>85,262</u>	<u>86,195</u>
Current assets			
Debtors			
– due within one year	9	20	902
		<u>20</u>	<u>902</u>
Creditors: amounts falling due within one year	10	(11,891)	(14,999)
Net current liabilities		<u>(11,871)</u>	<u>(14,097)</u>
Total assets less current liabilities		<u>73,391</u>	<u>72,098</u>
Net assets		<u>73,391</u>	<u>72,098</u>
Capital and reserves			
Called-up share capital	11	32,500	32,500
Share premium account	11	18,960	18,960
Equity reserve	11	1,845	1,845
Profit and loss account	11	20,086	18,793
Shareholders' funds		<u>73,391</u>	<u>72,098</u>

The financial statements of Aalberts Industries U.K. Limited (registered number 3596780) were approved by the board of directors and authorised for issue on *21st November 2016*. They were signed on its behalf by:



Ian Howarth
Director

Aalberts Industries U.K. Limited

Statement of changes in equity

At 31 December 2015

	Called-up share capital £'000	Share premium account £'000	Equity reserve £'000	Profit and loss account £'000	Total £'000
At 31 December 2013 as previously stated	32,500	18,960	1,845	19,407	72,712
Changes on transition to FRS 102 (see note 13)	-	-	-	-	-
At 1 January 2014 as restated	32,500	18,960	1,845	19,407	72,712
Profit for the financial year	-	-	-	(614)	(614)
Total comprehensive income	-	-	-	(614)	(614)
At 1 January 2015 as restated	32,500	18,960	1,845	18,793	72,098
Profit for the financial year	-	-	-	1,293	1,293
Total comprehensive income	-	-	-	1,293	1,293
At 31 December 2015	32,500	18,960	1,845	20,086	73,391

Aalberts Industries U.K. Limited

Notes to the financial statements **For the year ended 31 December 2015**

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

a. General information and basis of accounting

Aalberts Industries U.K. Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 1.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The prior year financial statements were restated for material adjustments on adoption of FRS 102 in the current year. For more information see note 13.

The functional currency of Aalberts Industries U.K. Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Aalberts Industries U.K. Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Aalberts Industries U.K. Limited is consolidated in the financial statements of its parent, Aalberts Industries N.V., which may be obtained at www.aalberts.com. Exemptions have been taken in these separate Company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

b. Going concern

The Company did not trade in the current or previous year and principally acts as an investment company. The confirmation of financial support from the ultimate parent enables the Company to adopt the going concern basis of accounting in preparing the annual financial statements.

Aalberts Industries U.K. Limited

Notes to the financial statements For the year ended 31 December 2015

1. Accounting policies (continued)

c. *Tangible fixed assets*

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculated to write off the cost or valuation, less estimated residual value, of each asset on a straight-line balance basis over its expected useful life, as follows:

Freehold buildings	20 years / 5% per annum
Leasehold land and buildings	term of lease
Plant and machinery	3-10 years / 33-10% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

d. *Impairment of assets*

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

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Notes to the financial statements For the year ended 31 December 2015

1. Accounting policies (continued)

e. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Aalberts Industries U.K. Limited

Notes to the financial statements For the year ended 31 December 2015

2. Critical accounting judgements and key sources of estimation uncertainty (continued)

Impairment of Fixed Asset Investments and Intangible Assets

Determining whether investments and intangible assets are impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the intangible asset and a suitable discount rate in order to calculate present value. Management have reviewed the investments and believe no impairment is necessary, the intangible assets are being amortised over a period of 20 years which management deem to be appropriate.

3. Finance costs (net)

	2015 £'000	2014 £'000
Interest payable and similar charges	(67)	(22)
Less: Investment income	2,357	508
	<u>2,290</u>	<u>486</u>

Investment income

	2015 £'000	2014 £'000
Income from fixed asset investments (see note 8):		
Other investments	2,100	450
Other interest receivable and similar income	257	58
	<u>2,357</u>	<u>508</u>

Interest payable and similar charges

	2015 £'000	2014 £'000
Bank loans and overdrafts	(67)	(22)
	<u>(67)</u>	<u>(22)</u>

Aalberts Industries U.K. Limited

Notes to the financial statements **For the year ended 31 December 2015**

4. Profit on ordinary activities before taxation

Profit on ordinary activities before taxation is stated after charging/(crediting):

	2015 £'000	2014 £'000
Amortisation of intangible assets (note 7)	<u>933</u>	<u>933</u>

5. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the company's annual accounts were £2,000 (2014: £2,000 payable to PWC).

Fees payable to Deloitte LLP and their associates for non-audit services to the company are not required to be disclosed because the consolidated financial statements of the parent company are required to disclose such fees on a consolidated basis.

Aalberts Industries U.K. Limited

Notes to the financial statements For the year ended 31 December 2015

6. Tax on profit on ordinary activities

The tax charge comprises:

	2015 £'000	2014 £'000
Current tax on profit on ordinary activities		
UK corporation tax	7	-
Total current tax	<u>7</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	28	5
Total deferred tax (see note 21)	<u>28</u>	<u>5</u>
Total tax on profit on ordinary activities	<u>35</u>	<u>5</u>

The standard rate of tax applied to reported profit on ordinary activities is 20.0 per cent (2014: 21.5 per cent). The applicable tax rate has changed following the substantive enactment of the Finance Act 2012.

There is no expiry date on timing differences, unused tax losses or tax credits.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2015 £'000	2014 £'000
Profit on ordinary activities before tax	<u>1,328</u>	<u>(609)</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20.0 per cent (2014: 21.5 per cent)	266	(131)
Effects of:		
- Expenses not deductible for tax purposes	189	201
- Income not taxable in determining taxable profit	(420)	-
- Group Relief received free of charge	-	(70)
Total tax charge for period	<u>35</u>	<u>-</u>

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Notes to the financial statements **For the year ended 31 December 2015**

7. Intangible fixed assets

	£'000
Cost	
At 1 January 2015 and 31 December 2015	18,669
Amortisation	
At 1 January 2015	9,201
Charge for the year	933
At 31 December 2015	10,134
Net book value	
At 31 December 2015	8,535
At 31 December 2014	9,468

Relates to goodwill in Acorn Surface Technology (£2,096k) and Pegler Limited (£16,574) amortised over 20 years. Acorn has 5 years remaining and Pegler has 9 years and 9 months remaining.

Aalberts Industries U.K. Limited

Notes to the financial statements For the year ended 31 December 2015

8. Fixed asset investments

	2015 £'000	2014 £'000
Subsidiary undertakings	<u>76,727</u>	<u>76,727</u>

Investments

The Company has investments in the following subsidiary undertakings, associates and other significant investments.

Subsidiary undertakings	Country of incorporation or principal business address	Principal Activity	Holding	%
Hauck Heat Treatment Ltd	UK	Provision of commercial surface engineering and heat treatment services.	Ordinary	100
Acorn Surface Technology	UK	Provision of commercial surface engineering and heat treatment services.	Ordinary	100
Aalberts Industries Ltd	UK	Holding Company	Ordinary	100
Aalberts Industries Investments Ltd	UK	Holding Company	Ordinary	100
Pegler Holdings Ltd	UK	Holding Company	Ordinary	100

Subsidiary undertakings have not been consolidated by Aalberts Industries U.K. Ltd as permitted by s.400 of the Companies Act 2006 as they are consolidated in the financial statements of Aalberts Industries N.V.

Aalberts Industries U.K. Limited

Notes to the financial statements For the year ended 31 December 2015

9. Debtors

	2015 £'000	2014 £'000
Amounts falling due within one year:		
Amounts owed by associates	20	874
Other debtors	-	28
	<u>20</u>	<u>902</u>

10. Creditors: amounts falling due within one year

	2015 £'000	2014 £'000
Bank overdrafts	5,868	425
Other loans	-	1,500
Amounts owed to associates	6,000	13,041
Corporation tax	7	-
Accruals and deferred income	16	33
	<u>11,891</u>	<u>14,999</u>

Other loans relates to a Group loan which was repaid during the year the interest rate was 3month Libor plus 1.25%. The bank overdraft is part of a Harmonised Facility/Pooling agreement for all Aalberts Industries N.V. owned U.K. entities and guaranteed by Aalberts Industries N.V.

11. Called-up share capital and reserves

	2015 £'000	2014 £'000
Allotted, called-up and fully-paid 32,500,002 ordinary shares of £1 each	<u>32,500</u>	<u>32,500</u>

The Company has one class of ordinary shares which carry no right to fixed income.

The Company's other reserves are as follows:

The share premium reserve contains the premium arising on issue of equity shares, net of issue expenses.

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

The equity reserve represents the equity component of convertible debt instruments.

Aalberts Industries U.K. Limited

Notes to the financial statements **For the year ended 31 December 2015**

12. Subsequent events

No significant subsequent events have occurred with this entity since the end of December 2015 up until signing.

13. Explanation of transition to FRS 102

This is the first year that the Company has presented its financial statements under Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council. The last financial statements under previous UK GAAP were for the year ended 31 December 2014 and the date of transition to FRS 102 was therefore 1 January 2015. As a consequence of adopting FRS 102, there have been no changes to accounting policies and no reconciliations to report.

14. Related party transactions

The Company is exempt under the terms of section 33 of FRS102 from disclosing related party transactions with entities that are part of, or investees in, the Aalberts Industries N.V. Group. There were no transactions with other related parties during the year.

15. Controlling party

The Company's immediate parent undertaking is Aalberts Industries France SNC, a Company incorporated in the France.

The ultimate parent undertaking and controlling party is Aalberts Industries N.V., which is a Company incorporated in the Netherlands and is the parent undertaking of the smallest and largest Group to consolidate these financial statements. The consolidated financial statements of this company are available to the public and may be obtained from:

Aalberts Industries N.V.
Sandenburgerlaan 4, 3947 CS Langbroek,
PO Box 11, 3940 AA Doorn
The Netherlands.