Aalberts U.K. Ltd.

Annual report and unaudited financial statements

for the year ended 31 December 2020

Registered number: 03596780



Aalberts U.K. Ltd.

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Aalberts U.K. Ltd.

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. The loss for the financial year of £0.9m (2019: £0.9m) is made up predominantly of amortisation of goodwill, professional fees for accountancy and tax and interest charges and receipts from the UK cash pool. The company has a net current liability position of £0.1m (2019: £0.1m) made up predominantly of amounts owed to group companies.

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.

Sustainability Strategy

The World constantly changes and the responsibility of our generation to utilise its knowledge and expertise to create technologies that enable the planet to get back into good shape, is an extremely important part of our business model. The model utilised by our company is fully supported by third party standards and accreditations that ensure our processes are controlled, managed and independently audited.

Section 172 Reporting

The Directors of the company and those of all UK companies must act in accordance with a set of general duties. These duties are detailed in s172 of the UK Companies Act 2008 which are summarised below:

A Director of a Company must act in the way they consider, in good faith, would be most likely to promote the success of the company for the shareholders as a whole and in doing so have regard (amongst other matters) to:

- the likely consequences of any decision in the long term,
- the interests of the company's employees,
- the need to foster the company's business relationships with suppliers, customer and others,
- the impact of the company's operations on the community and the environment,
- the desirability of the company maintaining a reputation for high standards of business conduct, and
- the need to act fairly as between members of the company.

Given the simplistic nature of the business, the Company's directors are of the opinion that reporting on the above s172 duties is not relevant to understanding of the business. These duties are reported in full in the financial statements of Aalberts Integrated Piping Systems Limited.

Principal risks and uncertainties

The Company does not trade and therefore the principal risk and uncertainty is the carrying value of its investments. Impairment of the carrying value of investments would be a significant risk. The Company is in receipt of a letter confirming support from the ultimate parent Aalberts N.V., it also performs annual impairment reviews on all its investments.

Aalberts U.K. Ltd.

Strategic report

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 10 of the financial statements.



Craig Malloy

Director
15 September 2021

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

Aalberts U.K. Ltd.

Directors' report

The directors present their annual report on the affairs of the Company, together with the unaudited financial statements, for the year ended 31 December 2020. In accordance with S414C(ii) of Companies Act 2006 the company has elected to present certain items in the Strategic Report, including the review of the business, key performance indicators, principal risks and uncertainties and future developments.

Dividends

The directors do not recommend a dividend for the year (2019: £nil).

Directors

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

C Malloy
W Pelsma
A Moninx

Going concern

The directors have assessed the financial performance of the Company and despite having net current liabilities with the support provided by the Aalberts N.V. they have concluded that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future despite the current uncertain economic outlook. Thus, they continue to adopt the going concern basis in preparing the annual financial statements.

Financial risk management objectives and policies
The Company's activities limit exposure to financial risks such as credit risk, cash flow risk and liquidity risk. The company receive a letter of support from Aalberts N.V. on an annual basis, which reduces any financial risk.

Stakeholder engagement

The Company works closely with its key stakeholders to ensure their views are incorporated in key decisions and that interactive discussions can take place on the direction of the business. Various stakeholders are invited to attend meetings to provide their opinion upon which the Directors are making strategic decisions.

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 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 N.V. as the immediate parent.

Approved by the Board on 15 September 2021 and signed on its behalf by:



Craig Malloy

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

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.

Aalberts U.K. Ltd.

Profit and loss account
For the year ended 31 December 2020

	Note	2020 £'000	2019 £'000
Administrative expenses		(939)	(923)
Operating loss		(939)	(923)
Finance costs (net)	3	(1)	(2)
Loss before taxation	4	(940)	(925)
Tax on loss	5	-	-
Loss for the financial year attributable to the equity shareholders of the Company		(940)	(925)

All results arise from continuing operations.

The notes on pages 8 to 16 form an integral part of these financial statements.

There are no items of other income of expense and therefore a statement of other comprehensive income has not been included.

Aalberts U.K. Ltd.

Balance sheet
As at 31 December 2020

	Note	2020 £'000	2019 £'000
Fixed assets			
Intangible assets	6	3,870	4,803
Investments	7	76,727	76,727
		80,597	81,530
Creditors: amounts falling due within one year	8	(140)	(133)
Net current liabilities		(140)	(133)
Total assets less current liabilities		80,457	81,397
Net assets		80,457	81,397
Capital and reserves			
Called-up share capital	9	44,500	44,500
Share premium account	9	18,960	18,960
Equity reserve	9	1,845	1,845
Profit and loss account	9	15,152	16,092
Shareholder's funds		80,457	81,397

For the financial year ended 31 December 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476

The financial statements of Aalberts U.K. Ltd. (registered number 03596780) were approved by the board of directors and authorised for issue on 15 September 2021. They were signed on its behalf by:



Craig Malloy
Director

The notes on pages 8 to 16 form an integral part of the financial statements.

Aalberts U.K. Ltd.

Statement of changes in equity
For the year ended 31 December 2020

	Called-up share capital £'000	Share premium account £'000	Equity reserve £'000	Profit and loss account £'000	Total £'000
At 1 January 2019	44,500	18,960	1,845	17,017	82,322
Loss for the financial year and total comprehensive expense	-	-	-	(925)	(925)
At 1 January 2020	44,500	18,960	1,845	16,092	81,397
Loss for the financial year and total comprehensive expense	-	-	-	(940)	(940)
At 31 December 2020	44,500	18,960	1,845	15,152	80,457

The notes on page 8 to 16 form an integral part of these financial statements.

Notes to the financial statements
For the year ended 31 December 2020

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 U.K. Ltd. is a company incorporated in the United Kingdom under the Companies Act. The Company is a private company limited by shares and is registered in England and Wales. The address of the registered office is given on page 2. 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 and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

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

Aalberts U.K. Ltd. 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 U.K. Ltd. is consolidated in the financial statements of its parent, Aalberts 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.

Further, the Company is exempt from preparing group consolidated financial statements under Section 401 of the Companies Act 2006.

b. Going concern

The Company did not trade in the current or previous year and principally acts as an investment company. Despite operating with a net liabilities position 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.

c. Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those assets classified as fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when, there exists a legally enforceable right to set off the recognised amounts and the company either intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when (a) the contractual rights to the cash flows from the financial asset expire or are settled, (b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or (c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

Notes to the financial statements
For the year ended 31 December 2020

1. Accounting policies (continued)

c. Financial instruments (continued)

ii) Equity instruments

Equity instruments issued by the company are recorded at the fair value of the cash or other resources received or receivable, net of direct issue costs.

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.

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.

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.

***f.* Investments**

Investments are valued at cost, unless in the opinion of the directors, there is impairment in the value of the investment.

g. Intangible Assets

Intangible assets represents goodwill on the acquisition of Acorn Surface Technology Limited in 2001 and Pegler Holdings Limited in 2005. The Company policy is to amortise goodwill over 20 years.

Notes to the financial statements
For the year ended 31 December 2020

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.

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 intangible assets and believe no impairment is necessary.

3. Finance costs (net)

	2020 £'000	2019 £'000
Interest payable and similar charges	(1)	(2)
	(1)	(2)

Interest payable and similar charges

	2020 £'000	2019 £'000
Group loans and overdrafts	(1)	(2)
	(1)	(2)

Notes to the financial statements
For the year ended 31 December 2020

4. Loss before taxation

Loss before taxation is stated after charging:

	2020 £'000	2019 £'000
Amortisation of intangible assets (note 6)	933	933

5. Tax on loss

The tax result comprises:

	2020 £'000	2019 £'000
Total current tax	-	-
Total deferred tax	-	-
Total tax on loss	-	-

The average standard rate of tax applied to the reported loss is 19.00% (2019: 19.00%).

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

	2020 £'000	2019 £'000
Loss before tax	(940)	(925)
Tax on loss at average standard UK corporation tax rate of 19% (2019: 19%)	(179)	(176)
Effects of:		
Expenses not deductible for tax purposes	178	177
Group relief received free of charge	1	(1)
Total tax result for year	-	-

Notes to the financial statements
For the year ended 31 December 2020

6. Intangible fixed assets

	£'000
Cost	
At 1 January 2020 and 31 December 2020	18,669
Amortisation	
At 1 January 2020	13,866
Charge for the year	933
At 31 December 2020	14,799
Net book value	
At 31 December 2020	3,870
At 31 December 2019	4,803

Relates to goodwill in Acorn Surface Technology (£2,096k) and Pegler Holdings Limited (£16,573k) amortised over the estimated useful life of 20 years. Pegler Holdings Limited has 4 years and 8 months remaining.

Notes to the financial statements
For the year ended 31 December 2020

7. Fixed asset investments

	2020 £'000	2019 £'000
Subsidiary undertakings	76,727	76,727

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
Neer Net Technologies Ltd	UK	Dormant	Ordinary	100
TTI Group Limited	UK	Dormant	Ordinary	100
Aalberts Surface Treatment Ltd *	UK	Provision of commercial surface engineering and heat treatment services.	Ordinary	100
Acorn Surface Technology Ltd	UK	Dormant	Ordinary	100
Aalberts Ltd *	UK	Holding Company	Ordinary	100
Aalberts Investments Ltd *	UK	Holding Company	Ordinary	100
Aalberts France SARL	France	Holding Company	Ordinary	100
Pegler Holdings Ltd *	UK	Holding Company	Ordinary	100
Yorkshire Fittings Distribution Ltd	UK	Provision of Labour for the Distribution Centre and Warehouse	Ordinary	100

Notes to the financial statements
For the year ended 31 December 2020

7. Fixed Asset Investments (continued)

Subsidiary undertakings	Country of incorporation or principal business address	Principal Activity	Holding	%
Pegler Yorkshire SAS	France	Manufacturer of Plumbing Fittings	Ordinary	100
Aalberts Integrated Piping Systems Limited	UK	Manufacturer of Plumbing Valves and Fittings	Ordinary	100
SGI	France	Provision of commercial surface engineering and heat treatment services.	Ordinary	100
DEC	France	Provision of commercial surface engineering and heat treatment services.	Ordinary	100
Hauck Heat Treatment	France	Provision of commercial surface engineering and heat treatment services.	Ordinary	100
Aalberts Surface Treatment	France	Provision of commercial surface engineering and heat treatment services.	Ordinary	100
Pegler Ltd	UK	Provision of labour to Doncaster factory	Ordinary	100

*Direct Investments, all others held indirectly via one of the Direct Investments.

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

Smart Energy Group Ltd and Rabco fittings Limited were dissolved on 16 March 2021, and Pegler Hattersley (UK) Ltd was dissolved on 11 May 2021.

Notes to the financial statements
For the year ended 31 December 2020

8. Creditors: amounts falling due within one year

	2020 £'000	2019 £'000
Amounts owed to group undertakings	134	133
Accruals and deferred income	6	-
	140	133

Amounts owed to group undertakings are payable on demand, not subject to any security and attract interest at 1% above 3 month LIBOR.

9. Called-up share capital and reserves

	2020 £'000	2019 £'000
Allotted, called-up and fully-paid 44,500,002 ordinary shares of £1 each (2019: 44,500,002 ordinary shares of £1 each)	44,500	44,500

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, net of dividends paid and other adjustments.

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

10. Subsequent events

No significant subsequent events have occurred with this entity since the balance sheet date up until the date of signing these financial statements.

11. Related party transactions

The Company is exempt under the terms of section 33 of FRS 102 from disclosing related party transactions with entities that are part of, or investees in, the Aalberts N.V. Group. There were no transactions with other related parties during the year. No Director's are remunerated by the company, the Director's are remunerated by another group company for services to the group and it's not possible to attribute any of this to the company.

Notes to the financial statements
For the year ended 31 December 2020

12. Controlling party

The Company's immediate parent undertaking is Aalberts N.V, a company incorporated in the Netherlands.

The ultimate parent undertaking and controlling party is Aalberts 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 N.V.
World Trade Center
PO Box 1218
NL – 3500 BE
Utrecht
The Netherlands.