

Acal Newco Limited

Report and Financial Statements

31 March 2015

WEDNESDAY



A4H0S XK3

A17

30/09/2015

#245

COMPANIES HOUSE

Company information

Directors

P H Neville
S M Gibbins
G P Shillinglaw

Secretary

G P Shillinglaw

Auditor

Ernst & Young LLP
1 More London Place
London SE1 2AF

Bankers

Clydesdale Bank
30 St Vincent Place
Glasgow G1 2HL

Danske Bank
ICB London
75 King William Street
London EC4N 7DT

HSBC Bank Plc
168 High Street
Guildford, Surrey
GU1 3YU

Registered Office

2 Chancellor Court
Occam Road
Surrey Research Park
Guildford
Surrey GU2 7AH

Strategic report

The directors present their strategic report, directors' report and the financial statements for the year ended 31 March 2015.

Principal activity and review of the business

The principal activity of Acal Newco Limited ('the company') is to act as an intermediate parent undertaking for the Aramys SA group, which was acquired during the prior year.

From 1 April 2013, the company became a Euro-denominated company. The existing share capital and amount owed by a fellow group undertaking were translated from pounds sterling to euro at a rate of 1.1782 euro to the pound sterling.

On 4 April 2013 the company completed the acquisition of 100% of the share capital and voting equity interests of Aramys SA ("Aramys" or "the Myrra Group"). Full details of the acquisition are available in the group financial statements of the parent undertaking, Acal plc, which are publicly available.

No dividend (2014 – €nil) was proposed or paid during the year.

The company's key financial and other performance indicators, as used by management in reviewing the performance of the business for the year, are as follows:

	2015 €'000	2014 €'000
Investment value	11,962	9,196

Exchange rate

The majority of the company's transactions are denominated in Euros. Accordingly the financial statements have been prepared in Euros as the directors consider the Euro to be both the functional and reporting currency.

The €/£ exchange rate at the balance sheet date was 1.3750 (2014 – 1.2074) and the average rate for the year was 1.2751 (2014 – 1.1862).

Principal risks and uncertainties

The company's principal risk is the valuation of its investments which is reliant on trading and performance of subsidiary undertakings. The directors continuously monitor the performance of the company's subsidiary undertakings and any indicators of impairment. The company is also exposed to interest rate risk. The directors continuously monitor the market for indicators of changes to interest rates.

Approved by the Board and signed on its behalf by:



S M Gibbins
Director
Date:

Registered No. 06556285

Directors' report

Results and dividends

The loss for the year after taxation amounted to €1,073,000 (2014 – €655,000). The directors do not recommend a dividend (2014 – €nil).

Going concern

The company's business activities, together with the factors likely to affect its future development, performance and position have been described in the strategic report on page 2.

The company had net current liabilities but total net assets at the year-end. The ultimate parent undertaking, Acal plc, has agreed to provide financial support to the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the balance sheet. The Acal plc group has significant financial resources, well established distribution contracts with a number of suppliers and a broad and stable customer base.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Directors

The directors who served the company during the year were as follows:

P H Neville
S M Gibbins
G P Shillinglaw

Disclosure of information to the auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

Reappointment of auditor

A resolution to reappoint Ernst & Young LLP as auditor will be put to the members at the Annual General Meeting.

On behalf of the Board



S M Gibbins
Director
Date:

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). 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 judgments and 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.

Independent auditor's report

to the members of Acal Newco Limited

We have audited the financial statements of Acal Newco Limited for the year ended 31 March 2015 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet and the related notes 1 to 16. 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 auditor

As explained more fully in the Directors' Responsibilities Statement set out on page 4, 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 report and financial statements 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 the financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs at 31 March 2015 and of its loss 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.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent auditor's report

to the members of Acal Newco Limited (continued)

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Zishan Nurmohamed (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
Date: 26/09/15

Profit and loss account

for the year ended 31 March 2015

	Notes	2015 €'000	2014 €'000
Administrative expenses		(788)	(343)
Operating loss	2	(788)	(343)
Income from group undertakings	5	75	–
Interest payable and similar charges	6	(455)	(405)
Loss on ordinary activities before taxation		(1,168)	(748)
Tax	7	95	93
Loss for the financial year	14	<u>(1,073)</u>	<u>(655)</u>

The results of the current and prior year arise solely from continuing operations.

Statement of total recognised gains and losses

for the year ended 31 March 2015

There are no recognised gains or losses other than the loss attributable to the shareholders of the company of €1,073,000 in the year ended 31 March 2015 (2014 – €655,000).

Balance sheet

at 31 March 2015

	Notes	2015 €'000	2014 €'000
Fixed assets			
Investments	8	11,962	9,196
Current assets			
Debtors	9	99	302
Cash at bank and in hand		73	32
		172	334
Creditors: amounts falling due within one year	10	(797)	(736)
Net current liabilities		(625)	(402)
Total assets less current liabilities		11,337	8,794
Creditors: amounts falling due after more than one year	11	(9,310)	(9,232)
Provisions for liabilities	12	(989)	(217)
Net assets / (liabilities)		1,038	(655)
Capital and reserves			
Called up share capital	13	2,766	–
Profit and loss account	14	(1,728)	(655)
Shareholders' funds / (deficit)	14	1,038	(655)

The financial statements were authorised for issue by the board and signed on its behalf by:



S M Gibbins

Director

Date

Notes to the financial statements

at 31 March 2015

1. Accounting policies

Basis of preparation

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

Functional currency

The company's financial statements are prepared in Euro as the directors regard this as the company's functional currency.

Going concern

The company had net liabilities and net current liabilities at the year-end. The ultimate parent undertaking, Acal plc, has agreed to provide financial support to the company to meet its liabilities as they fall due for a period of at least 12 months from the date of approval of the balance sheet. The Acal plc group has significant financial resources, well established distribution contracts with a number of suppliers and a broad and stable customer base.

After making enquiries, the directors have a reasonable expectation that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Group financial statements

These financial statements have been prepared for the individual company only. The company has utilised the exemption under section 400 of the Companies Act 2006 not to prepare group financial statements as the results of the company are included in the group financial statements of the ultimate parent undertaking and are publicly available (as set out in note 16).

Cash flow statement

The company is exempt from the requirement of FRS 1 to present a cash flow statement as over 90 per cent of the company's voting rights are controlled within the group of which the company is a member (note 16) and group financial statements that include the results of the company are publicly available.

Investments

Fixed asset investments are shown at cost less provision for impairment. The carrying value is reviewed for impairment when events or changes in circumstances indicate it may not be recoverable.

Dividend income

Revenue is recognised when the Group's right to receive payment is established.

Interest received

Revenue is recognised as interest accrues using the effective interest method.

Deferred taxation

Deferred taxation is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more, tax, with the following exception:

- Provision is made for deferred taxation that would arise on remittance of the retained earnings of subsidiaries, associates and joint ventures only to the extent that, at the balance sheet date, dividends have been accrued as receivable.
- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Notes to the financial statements (continued)

at 31 March 2015

1. Accounting policies (continued)

Foreign currencies

Transactions in foreign currencies are recorded using the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the rates of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account.

2. Operating loss

This is stated after charging/(crediting):

	2015 €'000	2014 €'000
Foreign exchange loss	16	1

Auditor's remuneration was borne by a fellow group undertaking.

3. Directors' remuneration

No remuneration was paid or is payable to the directors in their capacity as director of the company (2014 – €nil). The directors also provide services to other group undertakings and received remuneration from a fellow group undertaking, Acal Management Services Limited in respect of services to the group.

The directors consider that the proportion of the remuneration that relates to services to this company is €4,000 (2014 – €4,000).

4. Staff costs

The company had no employees other than the directors in either year.

5. Income from group undertakings

	2015 €'000	2014 €'000
Dividend income	75	–

6. Interest payable and similar charges

	2015 €'000	2014 €'000
Interest on bank loans	246	301
Amortisation of debt facility arrangement fees	209	104
	455	405

Notes to the financial statements (continued)

at 31 March 2015

7. Tax

(a) Tax on loss on ordinary activities

The tax credit is made up as follows:

	2015 €'000	2014 €'000
Current tax:		
UK corporation tax on the loss for the year	99	93
Adjustments in respect of previous years	(4)	–
Total current tax (note 7(b))	95	93
Deferred tax:		
Origination and reversal of timing differences	–	–
Tax on loss on ordinary activities	95	93

(b) Factors affecting tax credit for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 21% (2014 – 23%). The differences are explained below:

	2015 €'000	2014 €'000
Loss on ordinary activities before tax	1,168	748
Loss on ordinary activities multiplied by the standard rate of corporation tax in the UK of 21% (2014 – 23%)	245	172
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(146)	(79)
Adjustment in respect of prior years	(4)	–
Current tax for the year (note 7(a))	95	93

(c) Factors that may affect future tax charges

A reduction in the UK corporation tax rate from 23% to 21% was effective from 1 April 2014, and a reduction from 21% to 20% was effective from 1 April 2015.

8. Investments

	Shares in group undertakings €'000
Cost:	
At 1 April 2014	9,196
Acquisitions	2,766
At 31 March 2015	11,962

Notes to the financial statements (continued)

at 31 March 2015

8. Investments (continued)

The company holds 100% of the equity share capital of the following:

	2015	2014
Subsidiary undertaking:		
Aramys SA	100%	100%
BFI Optilas UK Ltd	100%	—

Aramys SA is registered in France. Its principal activity is to act as an intermediate parent undertaking for the Myrra group which manufactures electronic products.

During the year, the company acquired 100% of the share capital of BFI Optilas UK Ltd, from its parent company Acal France Holdings SAS, in a share-for-share exchange. BFI Optilas UK Ltd is a dormant company, registered in the UK.

9. Debtors

	2015 €'000	2014 €'000
Prepayments	—	209
Corporation tax debtor	99	93
	<u>99</u>	<u>302</u>

10. Creditors: amounts falling due within one year

	2015 €'000	2014 €'000
Amounts owed to group undertakings	791	710
Accruals and deferred income	6	26
	<u>797</u>	<u>736</u>

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

	2015 €'000	2014 €'000
Secured bank loan	<u>9,310</u>	<u>9,232</u>

In the prior year, the company had entered into a 3 year committed revolving credit facility of €9,425,600. The facility was used to fund the acquisition of the Myrra group (Aramys SA - note 8).

On 17 July 2014, the Acal group entered into a 5 year committed revolving credit facility of £70m, of which the company has a secured loan of €9,310,000, to replace the revolving credit facility taken out in the prior year, originally due to expire in April 2016. The loan bears interest on the aggregate of margin and a relevant base rate. Margin varies between 1.90% and 2.85% and is based on the leverage of the

Notes to the financial statements (continued)

at 31 March 2015

enlarged group of which the company is a member. The relevant base rate is EURIBOR. The facility is secured against the assets of the company and of certain fellow group subsidiaries.

12. Provisions for liabilities

	<i>Earn-out €'000</i>
At 1 April 2014	217
Provided during the year	772
At 31 March 2015	<u>989</u>

The provision relates to an earn-out relating to the acquisition of the Myrra group, payable during 2016.

13. Issued share capital

		<i>2015</i>		<i>2014</i>
<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>€</i>	<i>No.</i>	<i>€</i>
Ordinary shares of €1.18 each	2,344,467	<u>2,766,471</u>	100	<u>118</u>

During the year, the company acquired 100% of the share capital of BFI Optilas UK Ltd, from its parent company Acal France Holdings SAS, for a consideration of €2,766,353. The company issued 2,344,367 ordinary shares to its parent company Acal France Holdings SAS in a share-for-share exchange, the consideration being in the form of 100% of the share capital of BFI Optilas UK Ltd.

14. Reconciliation of shareholders' funds and movements on reserves

	<i>Called up Share capital €'000</i>	<i>Profit and loss account €'000</i>	<i>Total shareholders' funds €'000</i>
At 1 April 2013	—	—	—
Loss for the year	—	(655)	(655)
At 1 April 2014	—	(655)	(655)
Issue of share capital	2,766	—	2,766
Loss for the year	—	(1,073)	(1,073)
At 31 March 2015	<u>2,766</u>	<u>(1,728)</u>	<u>1,038</u>

15. Related party transactions

The company has taken advantage of the exemption available under FRS 8 not to disclose transactions with other wholly owned members of the Acal plc group.

Notes to the financial statements (continued)

at 31 March 2015

16. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Acal France Holdings SAS, a company registered in France. The ultimate parent undertaking and controlling party is Acal plc.

The parent undertaking of the smallest and largest group that prepares group financial statements and of which the company is a member is Acal plc. Copies of the group financial statements of Acal plc can be obtained from 2 Chancellor Court, Occam Road, Surrey Research Park, Guildford, Surrey GU2 7AH.