

Registered number: 07304447

AIV EUROPE LIMITED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016

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AIV EUROPE LIMITED

COMPANY INFORMATION

Directors	E W Cook R G Cook II
Company secretary	E Cook
Registered number	07304447
Registered office	5 New Street Square London EC4A 3TW
Independent auditors	Whiting & Partners Chartered Accountants & Statutory Auditor Greenwood House Greenwood Court Skyliner Way Bury St Edmunds Suffolk IP32 7GY

AIV EUROPE LIMITED

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AIV EUROPE LIMITED
REGISTERED NUMBER: 07304447

BALANCE SHEET
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Fixed assets			
Tangible Fixed Assets	4	66,152	22,264
Investments		1,508,197	1,498,046
		<u>1,574,349</u>	<u>1,520,310</u>
Current assets			
Stocks	6	3,839,432	1,940,269
Debtors: amounts falling due within one year	7	1,526,683	834,106
Cash at bank and in hand	8	375,747	543,949
		<u>5,741,862</u>	<u>3,318,324</u>
Creditors: amounts falling due within one year	9	<u>(1,662,899)</u>	<u>(545,756)</u>
Net current assets		<u>4,078,963</u>	<u>2,772,568</u>
Total assets less current liabilities		<u>5,653,312</u>	<u>4,292,878</u>
Creditors: amounts falling due after more than one year	10	(1,340,990)	(780,030)
Provisions for liabilities			
Deferred tax	11	(11,303)	(3,347)
		<u>(11,303)</u>	<u>(3,347)</u>
Net assets		<u><u>4,301,019</u></u>	<u><u>3,509,501</u></u>

AIV EUROPE LIMITED
REGISTERED NUMBER: 07304447

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2016

	Note	2016 £	2015 £
Capital and reserves			
Called up share capital		1,000	1,000
Other reserves		1,267,973	1,267,973
Profit and loss account		3,032,046	2,240,528
		<u>4,301,019</u>	<u>3,509,501</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 12 May 2017.



R G Cook II
Director

The notes on pages 3 to 13 form part of these financial statements.

AIV EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

1. General information

AIV Europe Limited is a private company limited by shares and is incorporated in England. The address of its registered office is 5 New Street Square, London, EC4A 3TW.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

AIV EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.3 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Leasehold improvements	-	20%
Plant and machinery	-	20%
Fixtures and fittings	-	20%
Office equipment	-	20%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Profit and Loss Account.

2.4 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Company shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Statement of Comprehensive Income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

Investments in listed company shares are remeasured to market value at each Balance Sheet date. Gains and losses on remeasurement are recognised in profit or loss for the period.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

AIV EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.6 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.7 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.8 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

AIV EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Profit and Loss Account except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Profit and Loss Account within 'other operating income'.

2.11 Finance costs

Finance costs are charged to the Profit and Loss Account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.12 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

AIV EUROPE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.13 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Profit and Loss Account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2.14 Interest income

Interest income is recognised in the Profit and Loss Account using the effective interest method.

2.15 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

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 it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

3. Employees

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	765,427	535,967
Social security costs	71,759	69,754
Cost of defined contribution scheme	33,045	22,687
	<u>870,231</u>	<u>628,408</u>

The average monthly number of employees, including directors, during the year was 16 (2015 - 10).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

4. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Fixtures and fittings £	Office equipment £	Total £
Cost or valuation					
At 1 January 2016	35,443	81,560	5,726	4,238	126,967
Additions	-	51,272	5,060	7,003	63,335
At 31 December 2016	<u>35,443</u>	<u>132,832</u>	<u>10,786</u>	<u>11,241</u>	<u>190,302</u>
Depreciation					
At 1 January 2016	31,766	64,028	5,095	3,814	104,703
Charge for the period on owned assets	3,544	13,129	1,343	1,431	19,447
At 31 December 2016	<u>35,310</u>	<u>77,157</u>	<u>6,438</u>	<u>5,245</u>	<u>124,150</u>
Net book value					
At 31 December 2016	<u>133</u>	<u>55,675</u>	<u>4,348</u>	<u>5,996</u>	<u>66,152</u>
At 31 December 2015	<u>3,677</u>	<u>17,532</u>	<u>631</u>	<u>424</u>	<u>22,264</u>

The net book value of land and buildings may be further analysed as follows:

	2016 £	2015 £
Long leasehold	133	3,676
	<u>133</u>	<u>3,676</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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5. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2016	1,498,046
Additions	10,151
At 31 December 2016	<u>1,508,197</u>
Net book value	
At 31 December 2016	<u>1,508,197</u>
At 31 December 2015	<u>1,498,046</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Adanac Valve Specialities Limited	United Kingdom	Ordinary	100 %	Industrial valve engineering and modification

The aggregate of the share capital and reserves as at 31 December 2016 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Adanac Valve Specialities Limited	<u>798,399</u>	<u>218,019</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

6. Stocks

	2016 £	2015 £
Finished goods and goods for resale	<u>3,839,432</u>	<u>1,940,269</u>

7. Debtors

	2016 £	2015 £
Trade debtors	1,128,707	542,659
Amounts owed by group undertakings	150,441	163,409
Other debtors	247,535	128,038
	<u>1,526,683</u>	<u>834,106</u>

8. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>375,747</u>	<u>543,949</u>

9. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	283,369	62,350
Amounts owed to group undertakings	1,208,608	231,950
Corporation tax	83,929	163,548
Other taxation and social security	4,817	3,773
Other creditors	82,176	84,135
	<u>1,662,899</u>	<u>545,756</u>

AIV EUROPE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

10. Creditors: Amounts falling due after more than one year

	2016	2015
	£	£
Amounts owed to group undertakings	1,340,990	780,030
	<u><u>1,340,990</u></u>	<u><u>780,030</u></u>

11. Deferred taxation

	2016	2015
	£	£
At beginning of year	(3,347)	(6,556)
Charged to profit or loss	(7,956)	3,209
At end of year	<u><u>(11,303)</u></u>	<u><u>(3,347)</u></u>

The provision for deferred taxation is made up as follows:

	2016	2015
	£	£
Accelerated capital allowances	(11,303)	(3,347)
	<u><u>(11,303)</u></u>	<u><u>(3,347)</u></u>

12. Commitments under operating leases

At 31 December 2016 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2016	2015
	£	£
Not later than 1 year	77,850	77,850
Later than 1 year and not later than 5 years	59,885	137,735
	<u><u>137,735</u></u>	<u><u>215,585</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016**

13. Related party transactions

The company has taken advantage of the exemption within FRS 102 section 1A from disclosing transactions with entities which are wholly owned part of the group.

Remuneration of the key management personnel during the year amounted to £413,320 (2015 - £189,024).

14. Controlling party

The immediate parent undertaking is AIV International, Inc, a company incorporated in USA. Group financial statements are not prepared.

The ultimate parent undertaking is AIV Holding, a partnership established in the USA. Group financial statements are prepared but are not publicly available.

The parents registered office and principal place of business is detailed at www.aivinc.com.

15. Auditors' information

The Independent Auditors Report was unqualified. The name of the Senior Statutory Auditor who signed the the audit report was Christopher Ridgeon on behalf of Whiting & Partners, Statutory Auditor.