

ALMAS INDUSTRIES LIMITED
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

Company Number: 08124771



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CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

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ALMAS INDUSTRIES LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

DIRECTORS, SECRETARY AND ADVISERS

Directors:

Mr W Butler

Mr F Favreau

Mr J Dean

Registered Office:

Fourth Floor

11 Hanover Street

London

W1S 1YQ

Company Number:

08124771

Auditors:

haysmacintyre

10 Queen Street Place

London

EC4R 1AG

Review of the business

The principal activity of Almas Industries Limited and its subsidiaries (the "Group") is distribution of applied innovative technologies for corporate and personal security to individuals and corporates in Europe.

The Group started its activity in March 2012 following the acquisition of companies and assets of the Safetic Group. In 2013 the Group set up new subsidiaries in Brazil, Hong Kong and Spain.

The Group's seventh year of operation shows again a positive operating profit and also net profit. As expected, 2017 was a transition year with a negative impact on the renewal basis which involved negative impact on turnover. To face, this situation, the Group started marketing operations and hired and structured the sales teams to impulse a new strategy on new business activity. We obtained good results on New Business activity with a 30% growth. Perspectives for 2018 are good and the first two months are generally above the budget.

In 2017, Butler Industries sold the current account owed from BST Hong Kong (€2,7m) for 1€ to Almas Industries Ltd.

Description of the principal risks and uncertainties facing the group

The Group faces a range of risks as part of its day to day operations and its corporate activities, these include the impact of general economic downturn, competition and foreign currency risk. Four of the Group's subsidiaries are based and operate outside the Euro area: Almas Industries Swiss S.A. in Switzerland, Almas Industries UK Limited in the UK, BST Brazil in Brazil and BST Hong Kong in Hong Kong. The Group's main operational exchange rate risks involve the conversion of the accounts in Swiss Francs ("CHF"), Sterling ("GBP"), Brazilian Real ("BRL") and Hong Kong Dollar ("HKD") of these subsidiaries. The Group is thus exposed to EUR/CHF, EUR/GBP, EUR/BRL and EUR/HKD exchange rate variations.

Analysis of key financial performance indicators

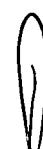
The key performance indicators recognised by the management are sales and group profit margins.

Consolidated sales have increased by 6% up to K€.24,766 (2016: K€.23,354). Main contributor is Germany with 46% of total sales.

The operating profit before exceptional expenses amounts to K€.1,603 (2016: K€.1,764) corresponding to 6.5% of sales, compared to 7.6% last year. After taking into account exceptional expenses, the operating profit for 2017 represents 6.3% of sales, compared to 6.5% for 2016.

By order of the Board

Mr W Butler, Director
30 April 2018



ALMAS INDUSTRIES LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The Directors present their report together with the audited financial statements of Almas Industries Limited (the "Group") in respect of the year ended 31 December 2017.

Results and Dividends

The consolidated statement of comprehensive income is set out on page 8. The Directors do not recommend the payment of a final dividend for the year (2016: Enil).

Directors

The Directors of the Company during the year were:

Mr W Butler
Mr F Favreau
Mr J Dean

Going Concern

The Directors confirm that they are satisfied that the Group has adequate resources to continue in business for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the accounts.

Financial Instruments

Details of the use of financial instruments by the Company and its subsidiaries are contained in Note 1 of the financial statements.

Future Developments

The Group intends to continue to grow its business through its established network of subsidiaries in Europe covering 8 countries: Germany, Austria, France, UK, Spain, Switzerland, Ireland and Portugal and in South America through its Brazilian subsidiary. The Group also reviews acquisition opportunities.

Statement of Directors' Responsibilities

The Directors are responsible for keeping proper 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 group and enable them to ensure that the financial statements comply with the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also required to prepare financial statements for the Group in accordance with International Financial Reporting Standards as adopted by the European Union (IFRSs). The Directors have chosen to prepare financial statements for the Company in accordance with UK Generally Accepted Accounting Practice.

Group Financial Statements

International Accounting Standard 1 requires that financial statements present fairly for each financial year the Group's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements." In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs.

ALMAS INDUSTRIES LIMITED

DIRECTORS' REPORT (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

Group Financial Statements (continued)

A fair presentation also requires the Directors to:

- select suitable accounting policies in accordance with IAS 8 Accounting Policies, changes in Accounting Estimates and Errors and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance;
- state that the group has complied with IFRS, subject to any material departures disclosed and explained in the financial statements; and
- make judgements and estimates that are reasonable and prudent.

Parent company financial statements

Company law requires directors to prepare financial statements for each financial year which 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business;
- make judgements and estimates that are reasonable and prudent; and
- state whether UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.

Auditors

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

By order of the Board

Mr W Butler, Director
30 April 2018



Opinion

We have audited the financial statements of Almas Industries Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2017 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Changes in Equity, the Consolidated Statement of Cash Flows, the Company Statement of Financial Position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in the preparation of the group financial statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the parent company financial statements is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2017 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union;
- the parent company financial statements 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- 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; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the company, 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.

Responsibilities of directors

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, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

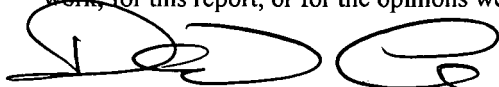
In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

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.



David Cox (Senior Statutory Auditor)

For and on behalf of haysmacintyre, Statutory Auditors

Date: 30 April 2018

**10 Queen Street Place
London
EC4R 1AG**

ALMAS INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	<i>Notes</i>	Year ended 31 December 2017 K€	Year ended 31 December 2016 K€
Sales	1	24,766	23,354
Other operating revenues		568	193
Raw materials and consumables used		(5,116)	(4,688)
External expenses		(8,119)	(7,613)
Staff costs		(9,372)	(8,680)
Amortisation		(648)	(570)
Depreciation and provisions – Net		(293)	32
Other operating expenses	3	<u>(183)</u>	<u>(264)</u>
Operating profit before exceptional expenses		1,603	1,764
Exceptional expenses	4	<u>(54)</u>	<u>(251)</u>
Operating profit		1,549	1,513
Finance income	5	526	967
Finance costs	5	<u>(998)</u>	<u>(676)</u>
Profit before tax		1,077	1,804
Tax	7	(440)	(506)
Net income / (loss) from activities held for sale		<u>-</u>	<u>(7)</u>
Profit attributable to equity holders of the parent		<u>637</u>	<u>1,291</u>
Other comprehensive income			
Translation differences on overseas operations		<u>233</u>	<u>(413)</u>
Total comprehensive income for the year		<u>870</u>	<u>878</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 DECEMBER 2017

	<i>Notes</i>	2017 K€	2016 K€
ASSETS			
NON-CURRENT ASSETS			
Property, plant and equipment	8	993	912
Intangible assets	9	6,601	6,651
Investments	10	-	-
Deferred tax assets	7	422	384
Other receivables	12	202	188
TOTAL NON-CURRENT ASSETS		8,218	8,135
CURRENT ASSETS			
Inventories	11	1,478	1,415
Trade and other receivables	12	13,163	10,944
Cash and cash equivalents		3,500	1,879
Total non current assets and assets of disposal groups classified as held for sale		47	3,132
TOTAL CURRENT ASSETS		18,188	17,370
TOTAL ASSETS		26,406	25,505
LIABILITIES			
CURRENT LIABILITIES			
Bank overdraft	14	100	104
Trade and other payables	13	4,266	4,393
Borrowings	14	61	51
Corporation tax liabilities		45	22
Total liabilities included in disposal groups classified as held for sale		-	3,091
TOTAL CURRENT LIABILITIES		4,472	7,661
NON CURRENT LIABILITIES			
Trade and other payables	15	-	11
Borrowings	14	15,144	12,575
Deferred tax liabilities	7	901	511
Retirement benefit obligations	17	36	36
Provisions for other liabilities and charges	18	1,930	1,658
TOTAL NON-CURRENT LIABILITIES		18,011	14,791
TOTAL LIABILITIES		22,483	22,452
TOTAL NET ASSETS		3,923	3,053
CAPITAL AND RESERVES ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT			
Share capital	19	493	493
Foreign exchange reserve	20	133	(100)
Retained earnings	20	3,297	2,660
TOTAL EQUITY		3,923	3,053

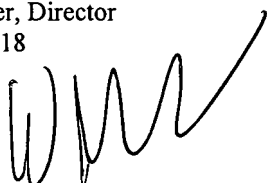
ALMAS INDUSTRIES LIMITED (REGISTERED NUMBER: 08124771)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

Mr W Butler, Director
30 April 2018

A handwritten signature in black ink, consisting of a series of loops and a final upward stroke, positioned below the printed name and date.

ALMAS INDUSTRIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2017

	Share capital K€	Foreign exchange reserve K€	Retained earnings K€	Total consolidated equity K€
At December 2015	<u>493</u>	<u>313</u>	<u>1,369</u>	<u>2,175</u>
Translation difference	-	(413)	-	(413)
Profit for the year	-	-	1,291	1,291
At December 2016	<u>493</u>	<u>(100)</u>	<u>2,660</u>	<u>3,053</u>
Translation difference	-	233	-	233
Profit for the year	-	-	637	637
At December 2017	<u>493</u>	<u>133</u>	<u>3,297</u>	<u>3,923</u>

ALMAS INDUSTRIES LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 K€	2016 K€
OPERATING ACTIVITIES		
Profit before taxation and after income from activities held for sale	1,077	1,797
Adjustments for:		
Depreciation	277	(8)
Amortisation	648	570
Loss on disposal of property, plant and equipment	16	13
Finance costs	462	400
	<hr/>	<hr/>
Cash inflow from operations before changes in working capital and provisions	2,480	2,772
Increase in inventories	(79)	(151)
Increase in trade and other receivables	(1,599)	(798)
Increase in trade receivables – self-financed contracts	(749)	(1,627)
Decrease / (Increase) in trade and other payables	302	(61)
	<hr/>	<hr/>
	(2,125)	(2,637)
	<hr/>	<hr/>
Cash inflow from operations	355	135
Income taxes paid	(76)	(54)
	<hr/>	<hr/>
Cash inflow from operating activities	279	81
INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(302)	(601)
Purchase of computer software and other intangible	(274)	(297)
Proceeds of sales from property, plant and equipment	12	13
Decrease in loans and deposits	(21)	(54)
	<hr/>	<hr/>
Net cash used in investing activities	(585)	(939)
FINANCING ACTIVITIES		
New loan from bank	3,000	-
New loan from the ultimate parent	185	956
Repayment of bank loans	(1,113)	(1)
Repayment of finance lease	(68)	(58)
Interest paid	(55)	(14)
	<hr/>	<hr/>
Net cash generated in financing activities	1,949	883
Effects of exchange rate changes	(18)	(43)
	<hr/>	<hr/>
INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	1,625	(18)
	<hr/>	<hr/>

ALMAS INDUSTRIES LIMITED**CONSOLIDATED STATEMENT OF CASH FLOWS (continued)****FOR THE YEAR ENDED 31 DECEMBER 2017**

	2017 K€	2016 K€
Cash at the start of the year	1,775	1,793
Cash at the end of the year	3,400	1,775
Cash and cash equivalents are made up as follows:		
Cash at bank and in hand	3,500	1,879
Bank overdraft	(100)	(104)
	<hr/> 3,400 <hr/>	<hr/> 1,775 <hr/>

1. ACCOUNTING POLICIES

Basis of preparation

These financial statements have been prepared in accordance with those IFRS standards and IFRIC interpretations issued and effective or issued and early adopted as at the time of preparing these statements (April 2018). These consolidated financial statements have been prepared under the historical cost convention. No separate income statement is presented for the parent Company as provided by Section 408, Companies Act 2006.

Basis of consolidation

The Group financial statements consolidate the financial statements of Almas Industries Limited and its subsidiaries (the "Group") for the year ended 31 December 2017.

The financial statements of subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them, are eliminated. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group.

Foreign currencies

Transactions denominated in foreign currencies are translated in Euro at the rates ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are dealt with in the income statement.

On consolidation, the statement of financial position of overseas operations are translated into Euro at the closing rate of exchange and trading results at the average rate of exchange for the period. These translation differences are dealt with are recognised directly in the foreign exchange reserve.

The presentational and functional currency of the Group is the Euro. The functional currency of the parent company is Euro as the majority of its transactions in that currency. The exchange rate used as at 31 December 2017 was £1=€1.13 (2016: £1=€1.17).

Going concern

The assumption of continuous operation was used by the Board of Directors in consideration of the following items:

- The years 2016 and 2017 show a high net profitability.

Based on the above, the Directors have prepared the group financial statements on a going concern basis. The financial statements therefore do not include any adjustments that would result if the Group was unable to continue as a going concern. In the event the Group ceased to be a going concern, the adjustments would include writing down the carrying value of assets, including intangible assets and inventories, to their recoverable amount and providing for any further liabilities that might arise.

Goodwill

Business combinations are accounted for under IFRS 3 using the purchase method. Any excess of the cost of business combinations over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities is recognised in the balance sheet as goodwill and is not amortised.

After initial recognition, goodwill is not amortised but is stated at cost less any accumulated impairment loss, with the carrying value being reviewed for impairment, at least annually and whenever events or changes in circumstance indicate that the carrying value may be impaired.

For the purposes of impairment testing, goodwill is allocated to the related cash generating units monitored by management. Where the recoverable amount of the cash generating unit is less than its carrying amount, including goodwill, an impairment loss is recognised in the income statement.

1. ACCOUNTING POLICIES (continued)**Research and development costs**

According to IAS 38, development costs are recorded as intangible assets only if all of the following criteria have been satisfied:

- (a) Technical feasibility necessary for the completion of the development project
- (b) Intention of the Company to complete the project and put it into operation
- (c) Capacity to use the intangible asset
- (d) Demonstration of the probability of future economic benefits attached to the asset
- (e) Availability of technical, financial and other resources to complete the project, and
- (f) Reliable evaluation of development costs

In pursuance of this standard, the Group has recognised its development costs as intangible assets. Those assets are amortized when projects are commercialized. They are amortised on a straight line basis over a 5-year period.

Trademarks

The costs relating to the acquired trademark are recorded as intangible assets in accordance with the activation criteria specified in IAS 38 for those costs. They are amortised on a straight-line basis over a five year period.

A new mark is being developed by the Group. As of 31 December 2017, no amortization had been booked related to the new mark as it has been not yet launched.

Software

Costs relating to the acquisition of software licences are recorded as assets based on the costs incurred to acquire and install the software in question. They are amortised on a straight line basis over a period ranging from 1-3 years.

Customer contracts

Costs relating to the acquisition of customer contracts from former distributors are recorded as assets based on the costs incurred to acquire the contracts in question. They are amortised on a straight line basis over a period of 5 years.

Property, plant and equipment

Items of property, plant and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs.

Depreciation is provided on all items of property, plant and equipment to write off the carrying value of items over their expected useful economic lives on a straight - line basis. It is applied at the following rates:

- | | |
|----------------------------------|--------------|
| ▪ Fixture and fittings | 5 – 10 years |
| ▪ Computer equipment | 3 years |
| ▪ Office equipment and furniture | 3 – 5 years |

Leased assets

Lease agreements for significant tangible fixed assets are classified as financial leases when the Group incurs substantially all the benefits and risks inherent in ownership of the asset. The assets covered under the financial leases are capitalised on the date of origin of the lease based on the fair value of the leased asset or the discounted.

Value of future minimum lease payments, whichever is lower. Each rent is divided between debt and financial cost in order to determine a constant rate of interest on the outstanding capital. The corresponding leasing obligations, net of finance charges, are classified as other long-term debt. The part of the financial expense corresponding to interest is recorded as an expense over the term of the agreement. The fixed asset acquired under a financial lease is amortised over the term of use or the term of the agreement, whichever is shorter.

1. ACCOUNTING POLICIES (continued)

Leased assets (continued)

Lease agreements in which a significant portion of risks and benefits is retained by the lessor are classified as operating leases. Payments for these operating leases, net of any incentives, are recorded as expenses in the income statement on a straight-line basis over the term of the lease.

Tangible and intangible assets with a specific useful life are subject to an impairment test when the recoverability of their book value is in doubt. A loss of value equal to the book value is in doubt. A loss of value equal to the book value minus the recoverable value of the asset is recorded. The recoverable value of an asset corresponds to its fair value minus the disposable costs or its value in use, whichever is higher. Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the income statement.

Inventories

Inventories are stated at lower of cost and net realisable value. Cost represents materials, direct labour and appropriate production overheads.

Cash and cash equivalent

Cash equivalents are held more for the purpose of handling short-term cash commitments than for investment or other ends. They are easily convertible into a known cash amount and are subject to a negligible risk of changes in value. Cash and cash equivalents are made up of immediately available liquidities, readily available term deposits and short-term investment securities. They are valued according to the IAS 39 categories to which they belong.

Short term investment securities are easily convertible into a known cash amount and are subject to a negligible risk of changes in value. They are valued at their fair value and variations in value are recorded as financial income.

Financial assets

The Group classifies its assets into one of the following categories, depending on the purpose for which the asset was acquired. The Group's accounting policy for each category is as follows:

Fair value through profit or loss: This category comprises only in-the-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income. Other than derivatives, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through the profit and loss account.

Loans and receivables: These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition or issue and subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

The effect of discounting on these financial instruments is not considered to be material.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the income statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

1. ACCOUNTING POLICIES (continued)

Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship (see below), the Group's accounting policy for each category is as follows:

Fair value through the profit and loss: This category comprises only out-of-money derivatives. They are carried in the statement of financial position at fair value with changes in fair value recognised in the statement of comprehensive income.

Other financial liabilities: Other financial liabilities include the following items:

- Trade payables and other short term monetary liabilities, which are recognised at amortised cost.
- Shareholder loans are initially recognised at the amount advanced net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of liability carried in the statement of financial position "Interest expense" in this context includes initial transaction costs and premium payable on redemption, as well as any interest while the liability is outstanding.

Deferred taxation

Deferred tax assets and liabilities are recognised where the carrying amount of an asset or liability in the balance sheet differs from its tax base, except for differences arising on:

- the initial recognition of goodwill
- the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction affects neither accounting nor taxable profit; and
- investments in subsidiaries and jointly controlled entities where the Group is able to control the timing of the reversal of the difference and it is probable the difference will not reverse in the foreseeable future.

Recognition of deferred tax assets is restricted to those instances where it is probable that taxable profit will be available against which the differences can be utilised.

The amount of the asset or liability is determined using tax rates that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the deferred tax liabilities/(assets) are settled/(recovered).

Deferred tax assets and liabilities are offset when the Group has a legally enforceable right to offset current tax assets and liabilities, and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

Income taxes

The tax currently payable is based on taxable profit for the period. Taxable profit differs from the net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Provisions

Provisions for risks and litigation correspond to commitments resulting from various disputes and risks for which the final date and amount are uncertain and which the Group may face as part of its activities.

A provision is recorded when the Group has a legal or implicit obligation to a third party resulting from a past event for which it is probable or certain that a withdrawal of funds for the benefit of such party will be caused, without at least an equal amount expected in exchange from such party, and that future liquidity outflows can be estimated reliably.

The amount recorded as a provision is the best estimate of the expenditure necessary to settle the obligation and is discounted if necessary on the date of closing.

1. ACCOUNTING POLICIES (continued)

Retirement benefit obligations

Employees from the French subsidiaries enjoy the retirement benefits provided for by French law:

- receipt of retirement benefit, paid by the Group, at the time of their retirement (defined benefit plan)
- payment of retirement pensions by social security bodies, which are financed by company and employee contributions (state defined contribution plan)

For defined benefit plans, the costs of retirement benefits are estimated using the projected credit unit method. According to this method, the pension cost is recorded as income in order to distribute it evenly over the length of employee service. Retirement commitments are measured at the current value of estimated future payments by applying the rate of return on the highest-grade long-term corporate bonds with maturity dates corresponding to that estimated for the plan. The Group appointed the qualified actuaries to conduct an annual review of the valuation of these plans.

Payments by the Group for defined contribution plans are recorded as expenses in the income statement for the period to which they relate.

Revenue recognition

Revenue represents sales to external customers at invoiced amounts less value added tax or local taxes on sales.

The Group's business model is to sell its products through Lease agreements, which are usually signed over 5 year period covering the economic life of the equipment. Lease agreements signed with the clients may be kept "in house" and are then treated as Captive contracts and are invoiced by the Group. Lease contract may also be sold to Leasing companies or Banks who then usually directly invoice the clients and take over the cash collection risk.

The sale of products is generally linked with the sale of a maintenance contract. Revenue received from the sale of maintenance contracts is spread over the period covered by the contract. When using financial lessors, revenue generated by maintenance contracts are mainly collected by the lessor on behalf of the Group.

Revenue is recognised when the risks and rewards of owning the goods has passed to the customer which is generally on delivery.

For "self-financed" contracts according to IAS 17 the revenue is recognised for the total amount of the present value of the minimum lease payments due taking into account an implicit interest rate. The difference between the cash received for each lease payment and the accounts receivable initially booked in the balance sheet is recognised as financial gain.

Critical accounting estimates and judgments

The preparation of the financial statements according to IFRS principles makes it necessary to make estimates and formulate assumptions that affect the amounts and information provided in the financial statements. Actual results may turn out to be appreciably different from those estimates based on different assumptions for conditions.

The estimates and judgements that management makes in implementing the accounting methods described above are based on the historical information and other factors, particularly including expectations of future events deemed reasonable under the circumstances. These estimates and judgements are mainly as follows:

- *Inventory provisions* – provisions are made against slow moving stock based on sales and production reports from prior periods. If sales of particular products do not meet past levels there is a risk that stock provisions can be understated.
- *Intangible assets* – are recognised only when it is probable that a project will be a success. There is a risk therefore that a project previously assessed as likely to be successful fails to reach the desired level of commercial or technological feasibility.

1. ACCOUNTING POLICIES (continued)**Newly issued accounting standards**

The Group has chosen not to early adopt the following new regulations, amendments and interpretations which have not been adopted by the European Union or which are not applicable as at 31 December 2017.

The standards adopted by the European Union but not mandatory until after 31 December 2017 are:

- IFRS 15 «Revenue from Contracts with Customers »;
- IFRS 9 « Financial Instruments »;

The management does not expect the implementation of these standards to have a significant impact on the consolidated financial statements.

Management of capital

The Directors set the objectives, policies and processes for managing capital for the Group and evaluates the opportunities for raising capital either through debt or equity financing. At 31 December 2017 the Company has increased its debt from the parent company instead of rising the share capital.

Assets for sale

A disposal group is classified as "held for sale" in the period in which all of the following criteria are met:

- Management commits to a plan to sell the component;
- The component is available for immediate sale in its present condition;
- An active program to locate a buyer has been initiated;
- The sale of the component is probable and the sale is expected to be complete within one year;
- The sale of the component is being actively marketed;
- Actions required to complete the sale make it unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

2. OPERATING PROFIT

	2017 K€	2016 K€
This is stated after charging:		
Depreciation and amortisation – owned assets	583	513
Depreciation and amortisation – assets under finance leases	64	57
<u>Auditors' remuneration</u>		
Audit of parent company and group accounts	18	16
Audit of subsidiaries	6	6
Tax and other services	7	8
Operating lease rentals		
Plant and machinery	406	549
Land and buildings	648	639
Foreign exchange (gains)/losses	<u>(396)</u>	<u>192</u>

ALMAS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

3. OTHER OPERATING EXPENSES

	2017 K€	2016 K€
Bad debts written off	34	103
Other operating expenses	149	161
	<u>183</u>	<u>264</u>

4. EXCEPTIONAL EXPENSES

	2017 K€	2016 K€
New Mark launch	-	(18)
Tax penalties	(28)	(27)
Recruitment fees	-	(38)
Severance costs	-	(42)
Non recurring fees	-	(39)
Costs from previous years	(10)	-
Products from previous years	26	-
Reimbursement from insurance	8	-
Assets disposals	(13)	-
Exceptional Brazilian costs	(37)	-
Other exceptional expenses	-	(87)
	<u>(54)</u>	<u>(251)</u>

5. NET FINANCE COSTS

	2017 K€	2016 K€
On shareholders loans	456	385
On finance leases	6	5
Other finance expense	536	286
	<u>998</u>	<u>676</u>
Interest receivable	(383)	(387)
Other finance income	(143)	(580)
	<u>(526)</u>	<u>(967)</u>
	<u>472</u>	<u>(291)</u>

6. STAFF COSTS

	2017 K€	2016 K€
Staff costs for all employees during the period, including the directors, were as follows:		
Wages and salaries	7,748	7,159
Social security costs	1,624	1,521
	<u>9,372</u>	<u>8,680</u>

During the year Directors received remuneration totalling nil (2016 - €121,610).

	2017 K€	2016 K€
The average number of employees during the year, was as follows:		
Managers	18	14
Employees	198	185
Other	11	7
	<u>227</u>	<u>206</u>

ALMAS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

7. TAXATION ON PROFIT ON ORDINARY ACTIVITIES

	2017 K€	2016 K€
(a) The tax charge for the year:		
UK Corporation tax	-	-
Overseas corporation tax	75	46
Deferred tax charge / (credit)	365	460
Total income tax	440	506
(b) The tax reconciliation is as follows:		
Profit on ordinary activities before tax	1,077	1,804
Profit on ordinary activities at the tax rate of 19% (2016 – 20%)	205	361
Effects of:		
Tax credit or flat tax	30	31
Permanent differences	16	100
Income tax rates differences between countries	251	160
Deferred tax asset not recognised	(62)	(147)
Other	-	1
Tax charge for the year	440	506
(c) Factor which may affect future tax charges		
As at the year end, the group had accumulated losses of K€12,062 (2016: K€9,593) available for carry forward against future trading profits.		
(d) Deferred tax – group		
The deferred tax included in the balance sheet is as follows:		
Deferred tax asset	422	384
Deferred tax liability	(901)	(511)
	(479)	(127)

8. TANGIBLE ASSETS

	Machinery and equipment K€	Other assets K€	Total K€
Cost			
At 31 December 2015	318	1,198	1,516
Additions	181	498	679
Reclassification	75	(75)	-
Exchange rate movement	29	4	33
Disposals	(98)	(205)	(303)
At 31 December 2016	505	1,420	1,925
Additions	13	457	470
Exchange rate movement	(21)	(42)	(63)
Disposals	(65)	(63)	(128)
At 31 December 2017	432	1,772	2,204
Depreciation			
At 31 December 2015	209	708	917
Charge for the period	151	200	351
Exchange rate movement	8	14	22
On disposal	(76)	(201)	(277)
At 31 December 2016	292	721	1,013
Charge for the period	44	285	329
Exchange rate movement	(8)	(23)	(31)
On disposal	(51)	(49)	(100)
At 31 December 2017	277	934	1,211
Net Book Value			
At 31 December 2016	213	699	912
At 31 December 2017	155	838	993
		2017 K€	2016 K€
The net book value of assets held under finance leases, included above, is as follows:			
Other assets		<u>224</u>	<u>135</u>

9. INTANGIBLE ASSETS

	Trademarks and licences K€	Development expenditure K€	Customer Contracts K€	Goodwill K€	Total K€
Cost					
At 31 December 2015	693	945	175	5,399	7,212
Additions	31	262	-	-	293
At 31 December 2016	724	1,207	175	5,399	7,505
Additions	13	261	-	-	274
Disposals	(5)	-	-	-	(5)
At 31 December 2017	732	1,468	175	5,399	7,774
Depreciation					
At 31 December 2015	330	195	77	-	602
Charge for the period	96	123	37	-	256
On disposal	(3)	-	-	-	(3)
At 31 December 2016	423	318	114	-	855
Charge for the period	74	208	36	-	318
At 31 December 2017	497	526	150	-	1,173
Net Book Value					
At 31 December 2016	301	890	61	5,399	6,651
At 31 December 2017	235	942	25	5,399	6,601

The development expenditure capitalised principally relates to developing the products and are amortised when marketed. Goodwill has been allocated to the subsidiaries' cash generating units for impairment testing purposes. The recoverable amount has been determined based on a value in use calculation using risk-adjusted cash flow projections based on financial budgets prepared by the Group. At the year-end no impairment provision was required.

The goodwill allocation is as follows:

K€	SafeTIC AG	SafeTIC GmbH	Other subsidiaries	Total
	Germany	Austria		
At 31 Dec 2016 & 2017	3,185	673	1,541	5,399

ALMAS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

10. INVESTMENTS

The Group's investment relating to 10% held in Biofive GmbH was disposed during 2016. The company was liquidated and Safetic AG was fully reimbursed for its nominal investment.

11. INVENTORIES

	2017 K€	2016 K€
Raw materials	700	683
Finished goods	39	60
Goods for resale	739	672
	<u>1,478</u>	<u>1,415</u>

12. TRADE AND OTHER RECEIVABLES

	2017 K€	2016 K€
Non-current		
Other receivables	202	188
Current		
Trade receivables	4,074	2,631
Amounts receivable under finance leases	8,406	7,657
Prepayments	134	175
Other receivables	549	481
	<u>13,163</u>	<u>10,944</u>

13. TRADE AND OTHER PAYABLES (CURRENT)

	2017 K€	2016 K€
Accounts payable	2,335	2,609
Staff and social security payable	899	887
Other taxes payable	655	490
Other payables	237	240
Accruals and deferred revenues	140	167
	<u>4,266</u>	<u>4,393</u>

14. BORROWINGS

	2017 K€	2016 K€
Non-current		
Bank loan	1,923	-
Finance lease liabilities	159	83
Other debts	82	-
Butler Industries Group loans	12,980	12,492
	<u>15,144</u>	<u>12,575</u>
Current		
Bank loan – current portion	-	1
Bank overdrafts	100	104
Finance lease liabilities	61	50
	<u>161</u>	<u>154</u>

Butler Industries Group loans relate to the unsecured loans advanced by the former parent company, Butler Management Limited, and the ultimate company, Butler Industries S.A., and are subject to 3.5% annual interest.

14. BORROWINGS (continued)**Finance lease liabilities**

Lease liabilities are secured as the rights to the leased assets revert to the lessor in the event of default.

Gross finance lease liabilities – minimum lease payments

	2017 K€	2016 K€
No later than 1 year	61	55
Later than 1 year and no later than 5 years	159	85
Future finance charges on finance leases	(19)	(10)
Present value of finance lease liabilities	201	130

15. TRADE AND OTHER PAYABLES (NON – CURRENT)

	2017 K€	2016 K€
Other payables	-	11

16. FINANCIAL INSTRUMENTS

The Group's main financial instruments are comprised of financial assets, loans and cash. The goal of the management of these instruments is the funding of the Group's business activities. Group policy prohibits subscribing for financial instruments for speculative purposes. The Group does not use any financial derivative instruments.

Exchange rate risk

Only four subsidiaries are based outside the Euro area: Almas Industries Swiss S.A. in Switzerland, Almas Industries UK Ltd in the UK, BST Brazil in Brazil and BST Hong Kong in Hong Kong. The purpose of these subsidiaries is to distribute and market the Group's products in these countries except for Hong Kong which will be sold in 2018.

The Group's main operational exchange rate risks involve the conversion of the accounts in Swiss Francs ("CHF"), Sterling ("GBP"), Brazilian Real ("BRL") and Hong Kong Dollar ("HKD") of these subsidiaries. The Group is thus exposed to exchange rate variations in these currencies.

The effect of an exchange rate variation should not impact materially the Group's earnings and shareholders' equity. The main exchange rate risks for investments made in the subsidiary in foreign currency (current accounts) are not considered to be significant for shareholders' equity.

At this stage of development, the Group has not made hedging provisions to protect its business activities against fluctuations in exchange rates. However, the Group cannot rule out that a significant increase in its activity could force it to increase its exposure to exchange rate risks. If that happens, the Group will consider the adoption of a suitable policy to hedge those risks.

Interest rate risk

The Group's exposure to interest rate risk primarily affects cash equivalents and investment securities. These consist of money market funds and term deposits. Changes in interest rates have a direct impact on the rate of return on those investments and the cash flows generated.

As of 31 December 2017, the Group's financial debt is not subject to interest rate risk because it relates to a loan from the parent company, on which an interest rate has been agreed.

As of this date, the Group has not contracted loans from credit institutions and therefore has very low exposure to interest rate risk.

16. FINANCIAL INSTRUMENTS (continued)**Credit risk**

With respect to its clients, the Group does not have a significant concentration of credit risk. The Group's main client is notably the leasers of many end clients. The Group has implemented policies that provide assurances that its clients have an appropriate credit-risk history.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	2017 K€	2016 K€
Trade and other receivables	13,163	10,944
Cash and cash equivalents	3,500	1,879
	<u>16,663</u>	<u>12,823</u>

Geographic region: mainly in Europe

The Group policy is to make a provision against those debts that are overdue, unless there are grounds for believing that all or some of the debts will be collected. During the year the value of provisions made in respect of bad and doubtful debts was K€82, which represented 0.3% of revenue (compared to 0.5% for the previous year).

The Group records impairment losses on its trade receivables separately from gross receivables. The movements on this allowance account during the year are summarised below:

	K€
At 31 December 2016	1,009
Increase in provisions	82
Written off against provisions	(44)
Currency difference	(8)
At 31 December 2017	<u>1,039</u>

The main factor used in assessing the impairment of trade receivables is the age of the balances and the circumstances of the individual customer.

Financial liabilities

	2017 K€	2016 K€
Butler Industries Group loan	12,980	12,492
Other debt	81	-
Bank loan	1,923	1
Finance lease liabilities	220	133
Bank overdraft	100	104
	<u>15,305</u>	<u>12,730</u>

Interest rate risk

The Group finances its business through a shareholder loan. As a consequence, the interest rate risk is managed by the Group.

Foreign currency risk

The Group's main foreign currency risk is the short term risk associated with accounts receivable and payable denominated in currencies that are not the subsidiaries functional currency. The risk arises on the difference in the exchange rate between the time invoices are raised/received and the time invoices are settled/paid. For sales denominated in foreign currencies the Group ensures that the purchases associated with the sale are in the same currency through the implementation of subsidiaries in the related countries (Switzerland, the UK, Brazil and Hong Kong).

ALMAS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

16. FINANCIAL INSTRUMENTS (continued)

All monetary assets and liabilities of the Group are denominated in euros with the exception of the following items which are denominated in GBP, CHF, BRL and HKD, and which are included in the financial statements at the euro value based on the exchange rate ruling at the statement of financial position date.

The following table shows the net liabilities in CHF, GBP, BRL and HKD exposed to exchange rate risk that the Group has at 31 December 2017:

	2017 K€	2016 K€
Trade receivables	2,053	2,400
Cash and cash equivalents	214	228
Trade payables	(3,561)	(3,324)
Finance lease liabilities	(220)	(134)
	<u>(1,514)</u>	<u>(830)</u>

The effect of a strengthening of 10% in the rate of exchange in the currencies against Euro at the statement of financial position date would have resulted in an estimated net decrease in pre-tax profit for the year and an increase in net assets of K€97 and the effect of a weakening of 10% in the rate of exchange in the currencies against Euro at the statement of financial position date would have resulted in an estimated net increase in pre-tax profit for the year and a decrease in net assets of approximately K€80.

17. RETIREMENT BENEFIT OBLIGATIONS

	2017 K€	2016 K€
Pension plan provisions	<u>36</u>	<u>36</u>

The Group operates defined benefit pension plans for its employees of the French subsidiaries.

For defined benefit plans, the costs of retirement benefits are estimated using the projected credit unit method. According to this method, the pension cost is recorded as an expense in order to distribute it evenly over the length of employee service. Retirement commitments are measured at the current value of estimated future payments by applying the rate of return on the highest-grade long-term corporate bonds with maturity dates corresponding to that estimated for the plan. The Group appointed the qualified actuaries to conduct an annual review of the valuation of these plans.

18. PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Lessor buy back K€	Maintenance provision K€	Captive contract K€	Other provisions K€	Total K€
At 31 December 2016	225	1,418	-	15	1,658
Increase in provisions	-	405	300	45	750
Written off against provisions	(105)	(344)	-	(15)	(464)
Currency differences	-	(14)	-	-	(14)
At 31 December 2017	<u>120</u>	<u>1,465</u>	<u>300</u>	<u>45</u>	<u>1,930</u>

ALMAS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 DECEMBER 2017

18. PROVISIONS FOR OTHER LIABILITIES AND CHARGES (continued)

a. Lessor buy back provision

The provision covers the financial risk on some contracts financed by party lessors, which includes buy back obligations for the Group if the end client fails to meet the monthly payment obligations.

b. Captive contract

This provision covers the financial risk on captive contracts due to a higher default rate in some countries than expected.

c. Other provisions

This provision covers the financial risks relating to Brazilian costs for some Trade litigation.

19. SHARE CAPITAL

	2017 €	2016 €
Allotted issued and fully paid		
402,000 Ordinary shares of £1 each	<u>492,587</u>	<u>492,587</u>

20. RESERVES

Full details of movements in reserves are set out in the consolidated statement of changes in equity on page 11. The following describes the nature and purpose of each reserve within owners' equity.

Reserve	Description and Purpose
Foreign exchange	Gains/losses from the retranslation of net assets of overseas operations into Euros.
Retained earnings	Cumulative net gains and losses recognised in the consolidated income statement.

21. LEASING COMMITMENTS

The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2017 K€		2016 K€	
	<i>Land and building</i>	Other	<i>Land and building</i>	Other
No later than 1 year	450	225	368	63
Later than 1 year and no later than 5 years	555	45	880	20
	<u>1,005</u>	<u>270</u>	<u>1,248</u>	<u>83</u>

22. RELATED PARTY TRANSACTIONS

As at December 2017, the Group owed K€11,625 (2016: K€11,475) to Butler Management Limited, its former immediate parent company in respect of the Butler Industries Group loans. Interest accruing on these loans amounting to K€1,355 (2016: K€951), and has been included in the accruals as at the year end.

23. NET INCOME FROM ACTIVITIES HELD FOR SALE

BST Hong Kong will be sold in 2018 to Butler Industries. For this reason, assets and liabilities related to this company are presented as held for sale in the 2017 accounts.

24. ULTIMATE CONTROLLING AND PARENT UNDERTAKING

The immediate parent undertaking is Butler Industries Benelux, a company incorporated in Belgium. The ultimate parent undertaking is Butler Industries, a company incorporated in France.

The ultimate controlling party is considered to be Mr W Butler.

COMPANY STATEMENT OF FINANCIAL POSITION

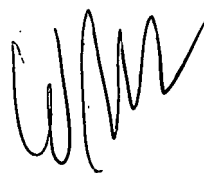
FOR THE YEAR ENDED 31 DECEMBER 2017

	<i>Notes</i>	2017 K€	AS RESTATED 2016 K€
ASSETS			
FIXED ASSETS			
Investments	3	2,464	2,464
Intangible assets	4	58	110
TOTAL FIXED ASSETS		2,522	2,574
CURRENT ASSETS			
Debtors	5	9,604	8,555
Cash and cash in hand		1,459	44
TOTAL CURRENT ASSETS		11,063	8,599
CREDITORS: amounts falling due within one year	6	(1,574)	(1,265)
NET CURRENT ASSETS		9,489	7,334
CREDITORS: amounts falling due after one year	7	(13,513)	(11,475)
NET LIABILITIES		(1,502)	(1,567)
CAPITAL AND RESERVES			
Called up share capital	8	493	493
Retained earnings		(1,995)	(2,060)
TOTAL DEFICIT	9	(1,502)	(1,567)

The company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements. The profit after tax of the parent company for the year was K€65 (2016 – loss of K€217).

The financial statements were approved by the Board of Directors and authorised for issue on and were signed on its behalf by:

Mr W Butler, Director
Date: 26 April 2018



1. ACCOUNTING POLICIES

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Company's financial statements.

Basis of preparation

The financial statements have been prepared under the historical cost convention in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006. The accounts have been prepared on the going concern basis.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies. The directors consider there to be no significant areas of judgments or key sources of estimation uncertainty.

Restatement of comparatives

An adjustment has been made to the 2016 figures in order to correct classification errors. This includes the reanalysis of contracts amounting to €267,460 from fixed assets to debtors. This adjustment had no impact to profit or loss.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less amounts provided for impairment.

Intangible fixed assets

The costs relating to acquired branding and trademarks are recorded as intangible assets in accordance with the recognition criteria specified in FRS 102 for those costs. They are amortised on a straight-line basis over a five year period. Development costs relating to the new CRM system are amortised on a straight-line basis over a three year period.

Foreign currencies

Assets and liabilities in foreign currencies are translated into Euros at closing rates of exchange.

Other financial liabilities

Other financial liabilities include the following items:

- Amounts owed by group undertakings and other creditors, which are recognised at amortised cost.

2. STAFF COSTS

There were no employees during the period.

3. INVESTMENTS

	Group undertakings K€
Cost	
At 31 December 2016	2,464
At 31 December 2017	<u>2,464</u>

ALMAS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

The list of subsidiaries is as follows:

Name:	Address of the registered office:
Almas Industries AG	Flosswörthstrasse 57; 68199 Mannheim; Germany
Almas Industries Gmbh	Josef-Schwer-Gasse, 95020 Salzburg, Austria
Almas Industries Lda	Rota Engº Edgar Cardoso, 4º Andar, 23, sala G, H e I ; 4400-676 Vila Nova de Gaia ; Portugal
Almas Industries Swiss SA	13 Croix-du-Péage ; 1029 Villars-Sainte-Croix ; Switzerland
Almas Industries UK Ltd	5th Floor Westworld; W5 1DT London
Almas Industries Ireland Ltd	Suite 137, The Capel Building; Mary's Abbey; Dublin 7; Ireland
Almas Industries BSAFE	Av. Fuencarral 14-16, 28108 Madrid; Spain
DOC SA	ZAC, 670 Route de Berre; 13510 Eguilles ; France
EDEN Innovations	ZAC, 670 Route de Berre; 13510 Eguilles ; France
ISSEFE	Av. Fuencarral 14-16, 28108 Madrid; Spain
BST Protect	Av. Fuencarral 14-16, 28108 Madrid; Spain
BST Brazil	Rua Tenente Negrão 90 ; Itaim Bibi ; 04530-030 – SP ; São Paulo ; Brazil
BST Hong Kong	Room 22, 22/F, Kui Yin Commercial Building, 361-363 Lockhart Road, Wanchai, Hong Kong

The above companies are 100% owned by the parent company except ISSEFE which is 100% owned by Almas Industries BSAFE. All listed subsidiaries are included within the consolidation.

4. INTANGIBLE ASSETS

	Development costs K€	Branding K€	Trademarks K€	Total K€
Cost				
At 31 December 2016	65	80	190	335
Disposals	-	(5)	-	(5)
At 31 December 2017	65	75	190	330
Amortisation				
At 31 December 2016	65	2	158	225
Charge for the period	-	16	32	48
Disposals	-	(1)	-	(1)
At 31 December 2017	65	17	190	272
Net Book Value				
At December 2016	-	78	32	110
At December 2017	-	58	-	58

ALMAS INDUSTRIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

5. DEBTORS

	2017 K€	AS RESTATED 2016 K€
Trade receivables	820	426
Amounts owed by group undertakings	8,772	7,855
Other receivables	12	274
	<u>9,604</u>	<u>8,555</u>

Included in amounts owed by group undertakings above is K€8,504 (2016 - K€7,855) due after more than one year.

6. CREDITORS: Amounts falling due within one year

	2017 K€	2016 K€
Trade payables	117	284
Other payables	1,360	951
Accruals	97	30
	<u>1,574</u>	<u>1,265</u>

7. CREDITORS: Amounts falling due after more than one year

	2017 K€	2016 K€
Amounts owed to group undertakings	<u>13,513</u>	<u>11,475</u>

8. SHARE CAPITAL

	2017 K€	2016 K€
Allotted issued and fully paid		
402,000 Ordinary shares of £1 each	<u>493</u>	<u>493</u>

9. RESERVES

	Share Capital K€	Profit & Loss Account K€	Total K€
At 31 December 2016	493	(2,060)	(1,567)
Profit for the period	-	65	65
At 31 December 2017	<u>493</u>	<u>(1,995)</u>	<u>(1,502)</u>