

COMPANY REGISTRATION NUMBER: SC290474

Raccortubi Norsk Limited
Filleted Financial Statements
31 December 2017



WILLIAMSON & DUNN
Chartered accountant & statutory auditor
3 West Craibstone Street
Bon Accord Square
Aberdeen
AB11 6YW

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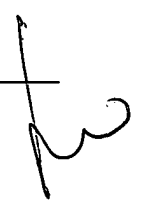
Raccortubi Norsk Limited

Financial Statements

Year ended 31 December 2017

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Raccortubi Norsk Limited

Directors' Responsibilities Statement

Year ended 31 December 2017

The directors are responsible for preparing the directors' 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 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 accounting estimates that are reasonable and prudent;
- 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.

Raccortubi Norsk Limited

Statement of Financial Position


31 December 2017

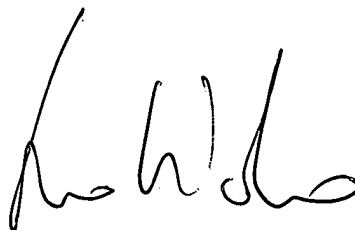
	Note	2017 £	2016 £
Fixed assets			
Tangible assets	5	100,675	110,878
Current assets			
Stocks		1,459,094	1,017,385
Debtors	6	3,593,776	3,300,597
Cash at bank and in hand		188,007	229,489
		<u>5,240,877</u>	<u>4,547,471</u>
Creditors: amounts falling due within one year	7	<u>1,924,204</u>	<u>1,238,607</u>
Net current assets		3,316,673	3,308,864
Total assets less current liabilities		3,417,348	3,419,742
Provisions			
Taxation including deferred tax		3,038	8,148
Net assets		<u>3,414,310</u>	<u>3,411,594</u>
Capital and reserves			
Called up share capital	8	2	2
Profit and loss account		<u>3,414,308</u>	<u>3,411,592</u>
Shareholders funds		<u>3,414,310</u>	<u>3,411,594</u>

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the statement of income and retained earnings has not been delivered.

These financial statements were approved by the board of directors and authorised for issue on 27 March 2018, and are signed on behalf of the board by:


Mr P Ray
Director



Company registration number: SC290474

The notes on pages 3 to 9 form part of these financial statements.

Raccortubi Norsk Limited

Notes to the Financial Statements

Year ended 31 December 2017

1. General information

The company is a private company limited by shares, registered in Scotland. The address of the registered office is Building 2, Blackburn Industrial Park, Blackburn, Aberdeen, AB21 0PS, Scotland.

2. Statement of compliance

These financial statements have been prepared in compliance with the provisions of FRS 102 Section 1A, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Going concern

These financial statements have been prepared on a going concern basis.

The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, included an assessment of uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business.

In addition, the Company's assets are assessed for recoverability on a regular basis, and the directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus the directors have continued to adopt the going concern basis of accounting in preparing these financial statements

Raccortubi Norsk Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty

In preparing of the financial statements, management is required to make estimates and assumptions which affect reported income, expenses, assets, liabilities and disclosure of contingent liabilities. Use of available information and application of judgement are inherent in the formation of estimates, together with past experience and expectations of future events that are believed to be reasonable under the circumstances. Actual results in the future could differ from such estimates.

(i) Useful economic lives of tangible assets

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual value of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

(ii) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

Revenue recognition

The turnover shown in the profit and loss account represents amounts invoiced during the year, exclusive of Value Added Tax.

In respect of contracts for on-going services turnover represents the value of work done in the year including estimates of amounts not invoiced. Turnover in respect of contracts for on-going services is recognised by reference to the stage of completion.

Corporate tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Raccortubi Norsk Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Foreign currencies

All foreign currency gains and losses are recognised in the profit and loss account on the date the transaction is settled.

Operating leases

Lease income is recognised in profit or loss on a straight line basis over the lease term. The aggregate cost of lease incentives are recognised as a reduction to income over the lease term on a straight-line basis. Costs, including depreciation, incurred in earning the lease income are recognised as an expense. Any initial direct costs incurred in negotiating and arranging the operating lease are added to the carrying amount of the lease and recognised as an expense over the lease term on the same basis as the lease income.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold improvements	- 10% straight line
Plant and machinery	- 25% straight line
Fixtures and fittings	- 25% straight line
Motor vehicles	- 25% straight line
Computer equipment	- 33% straight line

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Raccortubi Norsk Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial assets and liabilities are recognised when the Company becomes party to the contractual provisions of the financial instrument. The Company holds basic financial instruments which comprise cash and cash equivalents, trade and other receivables and trade and other payables. The Company has chosen to apply the provisions of Section 11 Basic Financial Instruments and Section 12 Other Financial Instruments in full.

Financial assets - classified as basic financial instruments

(i) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held with banks, and other short-term highly liquid investments with original maturities of three months or less.

ii) Trade and other receivables

Trade and other receivables are initially recorded at transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method, less any provision for impairment. Amounts that are receivable within one year are measured at the undiscounted amount of the cash expected to be received, net of any impairment. The amount of the provision is recognised immediately in profit or loss.

At the end of each reporting period, the Company assesses whether there is objective evidence that any receivable amount may be impaired. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the provision is the difference between the assets carrying amount and the present value of the estimated future cash flows, discounted at the effective interest rate.

(iii) Trade and other payables

Trade and other payables are initially measured at transaction price, including any transaction costs, and subsequently measured at amortised cost using the effective interest method. Amounts that are payable within one year are measured at the undiscounted amount of cash expected to be paid.

Raccortubi Norsk Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

3. Accounting policies *(continued)*

Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 9 (2016: 6).

5. Tangible assets

	Long leasehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Jan 2017	4,187	133,918	60,804	37,278	39,160	275,347
Additions	—	1,007	7,825	20,191	92	29,115
Disposals	—	—	—	(6,995)	—	(6,995)
At 31 Dec 2017	<u>4,187</u>	<u>134,925</u>	<u>68,629</u>	<u>50,474</u>	<u>39,252</u>	<u>297,467</u>
Depreciation						
At 1 Jan 2017	2,197	77,209	29,053	29,085	26,925	164,469
Charge for the year	419	17,389	10,989	5,402	5,119	39,318
Disposals	—	—	—	(6,995)	—	(6,995)
At 31 Dec 2017	<u>2,616</u>	<u>94,598</u>	<u>40,042</u>	<u>27,492</u>	<u>32,044</u>	<u>196,792</u>
Carrying amount						
At 31 Dec 2017	<u>1,571</u>	<u>40,327</u>	<u>28,587</u>	<u>22,982</u>	<u>7,208</u>	<u>100,675</u>
At 31 Dec 2016	<u>1,990</u>	<u>56,709</u>	<u>31,751</u>	<u>8,193</u>	<u>12,235</u>	<u>110,878</u>

Raccortubi Norsk Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

6. Debtors

	2017 £	2016 £
Trade debtors	744,360	425,053
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,795,908	2,793,560
Other debtors	53,508	81,984
	<u>3,593,776</u>	<u>3,300,597</u>

7. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	495,328	218,810
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,320,655	953,077
Social security and other taxes	79,645	49,821
Other creditors	28,576	16,899
	<u>1,924,204</u>	<u>1,238,607</u>

8. Called up share capital

Authorised share capital

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Issued, called up and fully paid

	2017		2016	
	No.	£	No.	£
Ordinary shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

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Raccortubi Norsk Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2017

9. Operating leases

As lessor

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

	2017	2016
	£	£
Not later than 1 year	110,000	100,833
Later than 1 year and not later than 5 years	550,000	549,999
Later than 5 years	220,000	330,000
	<u>880,000</u>	<u>980,832</u>

10. Summary audit opinion

The auditor's report for the year dated 27 March 2018 was unqualified.

The senior statutory auditor was Graeme Reid MA (HONS) CA, for and on behalf of Williamson & Dunn.

11. Related party transactions

At the year end, the company was due £2,792,995 (2016 - £2,792,995) from Norsk Alloys (Holdings) Limited. At the year end the company was due £1,279 (2016 - £565) from Raccortubi Middle East. At the year end the company was due £1,634 (2016 - £nil) from Raccortubi Singapore. The ultimate parent company, Raccortubi S.p.A., was due £1,320,655 (2016 - £953,077) from the company at the year end. These balances can be seen within debtors and creditors due less than one year. All balances are callable on demand.

The company has taken advantage of the exemption available in accordance with section 33 of FRS 102 'Related party disclosures' not to disclose transactions entered into between two or more members of a group, as the company is a wholly owned subsidiary undertaking of the group to which it is party to the transactions.

12. Controlling party

The company is under the control of Norsk Alloys (Holdings) Limited, a company incorporated in Scotland. It owns 100% of the issued share capital of the company. Norsk Alloys (Holdings) Limited is owned by Raccortubi S.p.A. a company incorporated in Italy, address being Viale De Gasperi 194, 20010 Marcallo con Casone MI. Raccortubi S.p.A is deemed to be the ultimate parent company, a company under the control of Luca Pentericci.