

Registered number: 04401299

Promat Glasgow Limited

Report and Financial Statements

31 December 2018



Directors

I Cowley
F A Flelijn

Secretary

D Worthington

Independent Auditors

PricewaterhouseCoopers LLP
Cornwall Court
19 Cornwall Street
Birmingham
B3 2DT

Registered office

B1, Heywood Distribution Park,
Heywood,
Lancashire,
OL10 2TS

Strategic Report

The directors present their strategic report for the year ended 31 December 2018.

Principal activities and review of the business

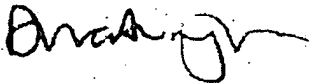
The Company closed operations and ceased trading on 31st December 2015.

The profit before taxation for the year, the company's KPI, was £4,000, which was significantly lower compared to the prior financial year (2017 - £645,000). This was due to the change in the provision for the costs of restoration for the site exited in Glasgow in prior financial year, resulting in reorganisation income of £679,000, which did not happen again this year.

Risks and uncertainties

The Company undertakes regular review of the principal risks facing the business and wherever possible processes are in place to monitor and mitigate such risks. Given that the Company has now ceased trading, the only principal risk relates to managing the remaining restoration costs.

By order of the Board



D Worthington

Secretary

27 September 2019

Registered No. 04401299

Directors' report

The directors present their report for the year ended 31 December 2018.

Directors of the company

The directors who served the company during the year and up to the date of this report were as follows:

I Cowley
F A Flecijn

No directors benefited from qualifying third party indemnity provision during the financial year and up to the date of approval of these financial statements.

Results and dividends

The directors do not recommend a final dividend (2017 - £nil). The profit for the year after taxation amounted to £3,000 (2017 - profit of £587,000).

Future developments

Production and trade ceased during 2015. There is no intention to restart operations and the company has quit the factory site and yielded up the premises to the landlord. The company will remain non-trading and will be liquidated once the claim for restoration costs with the landlord is fully settled.

Financial risk management

The Company's funding requirements are under constant review. All funding is done through fellow group undertakings or through the cash pooling arrangement. The management believes the Company has limited exposure to financial risk.

Going concern

Following the company's decision to cease trading and the fact that the directors intend to ultimately liquidate the company, the financial statements have been prepared on a basis other than going concern. Further information is provided in note 1.

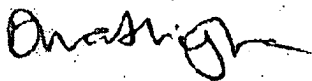
Political and charitable contributions

The company made no political or charitable contributions during the year (2017 - £nil).

Independent auditors

Ernst & Young LLP resigned as auditors of the Company on 25 October 2018 and PricewaterhouseCoopers LLP were appointed as independent auditors on 28 November 2018. PricewaterhouseCoopers LLP will be proposed for reappointment in accordance with section 485 of the Companies Act 2016.

By order of the Board



D Worthington
Secretary
27 September 2019

Statement of directors' responsibilities in respect of the financial statements

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for 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.

Directors' confirmations

In the case of each director in office at the date the Directors' Report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Independent auditors' report to the members of Promat Glasgow Limited

Report on the audit of the financial statements

Opinion

In our opinion, Promat Glasgow Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 December 2018; the income statement, the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Emphasis of matter - financial statements prepared on a basis other than going concern

In forming our opinion on the financial statements, which is not modified, we draw attention to note 1 to the financial statements which describes the directors' reasons why the financial statements have been prepared on a basis other than going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 December 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 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.

Auditors' 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 auditors' 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 FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Mark Skedgel (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
27 September 2019

Income Statement

for the year ended 31 December 2018

	<i>Notes</i>	2018 £000	2017 £000
Other expenses		(10)	(53)
Operating loss		(10)	(53)
Reversal of provision	3	-	679
(Loss)/Profit before interest and taxation		(10)	626
Interest receivable and similar income	5	27	37
Interest payable and similar expenses	6	(13)	(18)
Profit before taxation		4	645
Tax on profit	7	(1)	(58)
Profit for the financial year after taxation		3	587

All activities relate to discontinued operations.

The notes on page 10 to 14 form part of these financial statements.

Statement of comprehensive income

for the year ended 31 December 2018

There is no comprehensive income other than the profit attributable to the shareholders of the company of £3,000 in the year ended 31 December 2018 (2017: profit of £587,000)

Statement of changes in equity

for the year ended 31 December 2018

	<i>Called up share capital</i> £000	<i>Accumulated losses</i> £000	<i>Total equity</i> £000
At 1 January 2017:	6,500	(6,169)	331
Profit for the year	-	587	587
Total comprehensive income for the year	-	587	587
At 31 December 2017	<u>6,500</u>	<u>(5,582)</u>	<u>918</u>
At 1 January 2018	6,500	(5,582)	918
Profit for the year	-	3	3
Total comprehensive income for the year	-	3	3
At 31 December 2018	<u>6,500</u>	<u>(5,579)</u>	<u>921</u>

The notes on page 10 to 14 form part of these financial statements.

Statement of financial position

as at 31 December 2018

	Notes	2018 £000	2017 £000
Current assets			
Debtors	8	1,190	1,551
Creditors: amounts falling due within one year			
	9	(7)	(72)
Provisions for liabilities	11	(262)	(561)
Net assets		921	918
Capital and reserves			
Called up share capital	10	6,500	6,500
Accumulated losses		(5,579)	(5,582)
Total equity		921	918

The notes on page 10 to 14 form part of these financial statements.

These financial statements were approved by the board of directors and signed on its behalf by:



I Cowley
Director
27 September 2019

Notes to the financial statements

for the year ended 31 December 2018

1. Accounting policies

Corporate information

The company is a limited company incorporated in England and Wales and domiciled in Scotland. The registered office is located at B1, Heywood Distribution Park, Heywood, Lancashire, OL10 2TS.

Basis of preparation

The directors have prepared the financial statements on a basis other than going concern. Other than the impact of the basis other than going concern as described below, the accounting policies described in note 1 have all been applied consistently throughout the year and in the preceding year.

As the company has ceased trading and it is the directors' intention to liquidate the company once the restoration claim is fully settled, the directors have determined that it is not appropriate to prepare the financial statements on a going concern basis, and have determined that the accounting policies applied to individual items should reflect the decision to ultimately liquidate the company. As a result, these plans have led to assets and provisions for site restoration to be recognised as current.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

The financial statements have also been prepared in accordance with the Companies Act 2006.

The accounting policies which follow set out those which apply in preparing the financial statements for all years presented.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- a) the requirements of IFRS 7 Financial Instruments: Disclosures;
- b) the requirements of paragraphs 91-99 of IFRS 13 Fair Value Measurement;
- c) the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of: (i) paragraph 79(a)(iv) of IAS 1;
- d) the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- e) the requirements of IAS 7 Statement of Cash Flows;
- f) the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- g) the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- h) the requirements of paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective.

There are no significant estimates or judgements within the financial statements.

Notes to the financial statements

for the year ended 31 December 2018

1. Accounting policies (continued)

Provisions

A provision is recognised when the company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and bank overdrafts. In the balance sheet, bank overdrafts are shown within borrowings in current liabilities.

Foreign currencies

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Gains or losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement. Non-monetary assets and liabilities in a foreign currency are translated using the exchange rate at the date of the transaction.

Current tax

The charge for taxation is based on the result for the year and takes into consideration temporary differences arising as a result of different treatment of certain items for taxation and accounting purposes.

Deferred tax

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

- Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.
- Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which temporary differences reverse, based on tax rates and laws enacted or substantively enacted at the date of the statement of financial position.

2. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2018	2017
	£000	£000
Audit of the financial statements	4	4

Notes to the financial statements

for the year ended 31 December 2018

3. Reversal of provision

The provision related to expenses associated with the closure of the Glasgow operations. There was a release of provisions in the prior year:

	2018 £000	2017 £000
Reversal of provision	-	679

4. Directors' remuneration

No director remunerated by the company received any pension contributions.

All of the directors of the company are remunerated directly by other companies in the Etex group. These directors consider that the level of their qualifying services provided to this company are inconsequential.

5. Interest receivable and similar income

	2018 £000	2017 £000
On amounts due from group undertakings	13	18
Exchange gains on amounts due from group undertakings	14	19
	<u>27</u>	<u>37</u>

6. Interest payable and similar expenses

	2018 £000	2017 £000
Exchange losses on amounts due to group undertakings	(13)	(18)
	<u>(13)</u>	<u>(18)</u>

7. Tax on profit

(a) Tax on profit on ordinary activities

The tax expense is made up as follows:

	2018 £000	2017 £000
Current tax:		
UK corporation tax	1	58
Total current tax expense in the income statement	<u>1</u>	<u>58</u>

Notes to the financial statements

for the year ended 31 December 2018

7. Tax on profit (continued)

(b) Reconciliation of the total tax expense

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%). The differences are explained below:

	2018 £000	2017 £000
Profit before taxation	4	645
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2017 – 19.25%)	1	124
Losses brought forward	-	(66)
Total tax expense	1	58

Following cessation of trading in the company, post cessation expenses are not available for group relief and therefore the criteria for recognition of the deferred tax balances are no longer met. Deferred tax assets have been de-recognised accordingly. The amount of deferred tax assets that has not been recognised in the year ended 31 December 2018 is £45,000 (2017: £95,000).

(c) Factors affecting the future tax charge

The standard rate of Corporation Tax in the UK reduced from 20% to 19% with effect from 1 April 2017. Accordingly the Company's profits for this accounting year are taxed at an effective rate of 19.00%. The standard rate will fall further to 17% with effect from 1 April 2020. The reduction to 17% was enacted in 2016.

8. Debtors

	2018 £000	2017 £000
Prepayments and accrued income	-	1
Amounts owed by group undertakings	1,190	1,550
	1,190	1,551

Amounts owed by group undertakings is an interest-bearing cash pooling deposit and is repayable on demand. The interest rate applied during the year was 1-month LIBOR plus 44 basis points (2017- 1 month LIBOR plus 78 basis points).

9. Creditors: amounts falling due within one year

	2018 £000	2017 £000
Trade creditors	-	11
Amounts owed to group undertakings	1	-
Accruals and deferred income	5	3
Other creditors including tax and social security	1	58
	7	72

Amounts owed to group undertakings are unsecured, non-interest bearing and are repayable on demand.

Notes to the financial statements

for the year ended 31 December 2018

10. Called up share capital

<i>Allotted, called up and fully paid</i>	<i>No.</i>	<i>2018</i>	<i>No.</i>	<i>2017</i>
		<i>£000</i>		<i>£000</i>
Ordinary shares of £1 each	6,500,000	<u>6,500</u>	6,500,000	<u>6,500</u>

Accumulated losses/ retained earnings

Accumulated losses/ retained earnings represent the cumulative profit and loss attributable to the Company to the end of the year.

11. Provisions for liabilities

	<i>Site restoration £000</i>	<i>Total £000</i>
At 31 December 2017		
Current	561	561
Non-current	-	-
At 1 January 2018	<u>561</u>	<u>561</u>
Utilised	(299)	(299)
At 31 December 2018	<u>(262)</u>	<u>(262)</u>
<i>Analysed as</i>		
Current	<u>262</u>	<u>262</u>
	<u>262</u>	<u>262</u>

Site restoration

The site restoration provision is based on estimates of end of term leasehold exit costs.

12. Ultimate parent undertaking and controlling party

The company's immediate parent undertaking is Promat (UK) Holdings Limited, incorporated in England and Wales.

The only group in which the results of the company are consolidated is that headed by Etex SA, incorporated in Belgium. The group financial statements of Etex SA, the company's ultimate parent undertaking, are available to the public and may be obtained from Passport Building, Luchthaven, Brussel Nationaal, Gebouw 1k, 1930 Zaventem, Belgium.