

# COMPANIES HOUSE COPY

## **Deco Acquisitions Limited**

Report and Financial Statements

Year Ended

31 December 2016

Company Number 06948199



**Deco Acquisitions Limited**  
**Strategic Report**  
**for the year ended 31 December 2016**

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**Contents**

**Page:**

2	Strategic report
4	Directors' report
6	Independent auditor's report
8	Income statement
9	Statement of comprehensive income
10	Balance sheet
11	Statement of changes in equity
12	Notes forming part of the financial statements

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**Directors**

Bart Elias  
Maarten Peers  
Nicolas De Quinamar  
Piet Claus  
Andrzej Ostrowski  
Kate Allum

**Registered office**

Halesfield 11, Telford, Shropshire, TF7 4LZ

**Company number**

06948199

**Auditors**

BDO LLP, Two Snowhill, Birmingham, B4 6GA

**Deco Acquisitions Limited**  
**Strategic Report**  
**for the year ended 31 December 2016**

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**Financial review**

The company remains a holding company. The trading activities of the subsidiary companies have continued to be strong.

**Future developments**

The company will continue to manage its portfolio of investments, with a view to maximising their value by encouraging operational efficiencies.

**Going concern**

The management have reviewed the nature of the intercompany loans, and concluded that they are structural by nature and therefore with one exception should be classified as Long Term. A retrospective adjustment has also been made to 2015 comparable.

Presently the operating cash requirements of the Company are being met through inter-company relationships with Cedo Limited, the UK operating company. The major creditors of the company, its holding company Cedo Holdings Limited, its fellow subsidiary Cedo Limited and its subsidiary Cedo Sp z.o.o. have confirmed that they will not require repayment of the short term creditor balance owed to it by the Company, until the Company has sufficient funds to make such repayment. Forecasts and projections, taking account of reasonably foreseeable changes in trading performance, show that the Company's trading subsidiaries are profitable and cash generative. On the basis that balances with fellow subsidiaries will not be requested for repayment unless funds become available the directors are satisfied that the going concern basis of accounts preparation is appropriate.

Forecasts and projections, taking account of reasonably foreseeable changes in trading performance, show that the company will be able to operate within the level of its current facilities for at least the next 12 months.

Therefore on the basis of the above the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statement.

**Principal risks and uncertainties facing the Group**

The Company has investments in subsidiaries in a number of countries. These subsidiaries are exposed to fluctuations in the prices of polymer and aluminium, their base raw materials. In supplying to major domestic retailers, the subsidiaries must set competitive prices which are committed for varying lengths of time. Major increases in product prices which cannot be passed on to customers in the short term can lead to margin fluctuations. In certain cases hedging instruments are used to help protect the company against such short term volatility.

In addition, the Company's subsidiaries trade in a variety of currencies, frequently buying raw material in one currency and selling finished goods in another. This can lead to exchange rate risks which are mitigated by currency hedging and tight inter-company payment policies.

The business of the Company's subsidiaries is concentrated in sales to a number of large domestic retailers. The subsidiaries mitigate this risk by providing the retailers with a consistently good product and service offering at a competitive price. The consistent drive to be a low cost producer delivering excellent customer service in the market means that the group expects to continue to be able to maintain a competitive offering to these major customers.

The Company is active in managing the risks inherent in the business of its subsidiaries by providing structures and policies in relation to (amongst other things) hedging and customer management

**Deco Acquisitions Limited**  
**Strategic Report**  
**for the year ended 31 December 2016**

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**Risk management activities**

(i) Policies and processes for managing company capital

Working capital is tightly managed through a combination of day to day controls and weekly and monthly treasury monitoring and reporting.

(ii) Financial risk management objectives

Where fixed price contracts are entered into, the contract is hedged for its duration for 100% of the estimated volume of the related commodities subject to appropriate derivatives being available.

(iii) Financial instruments and hedging activities

- The purchase of derivatives for hedging purposes is exclusively linked to operative demand and all speculative transactions are strictly prohibited.
- Where possible, foreign currency positions are reduced by natural hedging; material residual exposures are hedged.
- Where possible, intercompany balances are settled promptly to avoid any undue currency exposure.

**Approval**

This strategic report was approved by order of the Board on 29 September 2017.



**Andrzej Ostrowski**  
**Director**

**Deco Acquisitions Limited**  
**Report of the Directors**  
**for the year ended 31 December 2016**

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The Directors present their report together with the audited financial statements for the year ended 31 December 2016.

**Results and dividends**

The loss for the year after taxation amounted to £2.0.m (2015 - £0.2m). No ordinary dividends have been paid and no ordinary dividends have been proposed by the directors.

**Directors**

The directors who served during the year were as follows:

David James Pearce	Resigned 19 February 2016
Bart Elias	
Maarten Peers	
Nicolas De Quinnemar	
Piet Claus	
Andrzej Ostrowski	
Kate Allum	Appointed 7 October 2016

**Directors' indemnities**

All directors are entitled to be indemnified by the Company against all liabilities incurred by them in the actual or purported exercise of their powers or otherwise in connection with their duties, powers or office, except in the case of criminal and similar proceedings. The company has taken out insurance against Directors and Officers liabilities.

**Board composition**

<b>Capacity</b>	<b>Name</b>	<b>Position</b>
Non-executive Director	Bart Elias	Chairman
Executive Director	Kate Allum	Group Chief Executive Officer
Executive Director	Andrzej Ostrowski	Group Chief Financial Officer
Non-executive Director	Maarten Peers	Shareholder representative
Non-executive Director	Nicolas De Quinnemar	Shareholder representative
Non-executive Director	Piet Claus	Shareholder representative

**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 company'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.

BOO LLP has expressed their willingness to continue in office. A resolution to re-appoint them will be proposed at the annual general meeting.

**Deco Acquisitions Limited**  
**Report of the Directors**  
**for the year ended 31 December 2016**

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**Statement of directors' responsibilities**

The directors are responsible for preparing the strategic report, 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 company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**On behalf of the Board**



Andrzej Ostrowski  
**Director**

29 September 2017

# **Deco Acquisitions Limited**

## **Independent auditor's report**

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### **To the members of Deco Acquisitions Limited**

We have audited the financial statements of Deco Acquisitions Limited for the year ended 31 December 2016 which comprise the income statement, the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of directors and auditors**

As explained more fully in the statement of directors' responsibilities, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the FRC's website at [www.frc.org.uk/auditscopeukprivate](http://www.frc.org.uk/auditscopeukprivate).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of the loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other 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 directors' report have been prepared in accordance with applicable legal requirements.

## Deco Acquisitions Limited Independent auditor's report

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### Matters on which we are required to report by exception

Based on our knowledge and understanding of the company and its environment obtained during the course of the audit we have identified no material misstatements in the strategic report or the directors' report.

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

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

BDO LLP

*Thomas Lawton (senior statutory auditor)  
For and on behalf of BDO LLP, statutory auditor  
Birmingham  
United Kingdom*

Date *29 September 2011*

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



**Deco Acquisitions Limited**  
**Income statement**  
for the year ended 31 December 2016

	Note	2016 £'000	2015 £'000
Administrative expenses		(2,219)	(2,281)
Impairment of loan recoverable from subsidiary		(2,618)	-
Other operating income / (expense)		12	(199)
		<hr/>	<hr/>
<b>Operating loss</b>	4	(4,825)	(2,480)
Income from fixed asset investments		-	5,881
Interest receivable and similar income (including net exchange gain)	7	2,999	925
Interest payable and similar charges (including net exchange loss)	8	(373)	(5,160)
		<hr/>	<hr/>
<b>Loss on ordinary activities before taxation</b>		(2,199)	(834)
Tax on loss on ordinary activities	9	186	587
		<hr/>	<hr/>
<b>Loss on ordinary activities after taxation</b>		(2,013)	(247)
		<hr/> <hr/>	<hr/> <hr/>

All amounts relate to continuing activities.

The notes on pages 12 to 22 form part of these financial statements.

**Deco Acquisitions Limited**  
**Statement of comprehensive income**  
**for the year ended 31 December 2016**

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	Note	2016 £'000	2015 £'000
Loss for the financial year		(2,013)	(247)
		<hr/>	<hr/>
Total comprehensive loss for the year		(2,013)	(247)
		<hr/> <hr/>	<hr/> <hr/>

The notes on pages 12 to 22 form part of these financial statements.

**Deco Acquisitions Limited**  
**Balance sheet**  
at 31 December 2016

<i>Company number 06948199</i>	Note	2016 £'000	2016 £'000	2015 £'000 restated	2015 £'000 restated
<b>Fixed assets</b>					
Fixed asset investments	10		27,227		27,227
<b>Current assets</b>					
Debtors: amounts falling due within one year	11	10,073		8,696	
Debtors: amounts falling due after more than one year		32,451		31,880	
Cash at bank and in hand		7,329		6,661	
		49,853		47,237	
<b>Creditors: amounts falling due within one year</b>	12	10,448		9,227	
<b>Net current assets</b>			39,405		38,010
<b>Total assets less current liabilities</b>			66,632		65,237
<b>Creditors: amounts falling due after more than one year</b>	13		65,307		61,899
			1,325		3,338
			1,325		3,338
<b>Capital and reserves</b>					
Called up share capital	14		2,110		2,110
Non distributable capital reserve			908		908
Profit and loss account			(1,693)		320
<b>Shareholders' funds</b>			1,325		3,338
			1,325		3,338

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2017



Andrzej Ostrowski  
**Director**

The notes on pages 12 to 22 form part of these financial statements.

**Deco Acquisitions Limited**  
**Statement of changes in equity**  
For the year ended 31 December 2016

	Share capital	Capital reserve	Profit & loss account	Total
	£'000	£'000	£'000	£'000
At 1 January 2016	2,110	908	320	3,338
<b>Total comprehensive income for the year</b>	-	-	(2,013)	(2,013)
<b>Contributions by and distributions to owners</b>	-	-	-	-
At 31 December 2016	<b>2,110</b>	<b>908</b>	<b>(1,693)</b>	<b>1,325</b>

	Share capital	Capital reserve	Profit & loss account	Total
	£'000	£'000	£'000	£'000
At 1 January 2015	1,606	908	(35,239)	(32,725)
<b>Total comprehensive income for the year</b>	-	-	(247)	(247)
Conversion of preference shares	36,310	-	-	36,310
Capital reduction	(35,806)	-	35,806	-
<b>Contributions by and distributions to owners</b>	<b>504</b>	<b>-</b>	<b>35,806</b>	<b>36,310</b>
At 31 December 2015	<b>2,110</b>	<b>908</b>	<b>320</b>	<b>3,338</b>

The purpose of each reserve within equity is as follows:

**Share capital** is the nominal value of allotted and fully paid up ordinary and preference share capital. This includes called up share capital and deferred share capital.

**Capital Reserve** represents non-distributable reserves arising on items such as revaluations.

**Profit and loss account** is cumulative net gains and losses recognised in the statement of comprehensive income.

The notes on pages 12 to 22 form part of these financial statements.

**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

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## **1. Accounting policies**

The company is a private company limited by shares and is incorporated and domiciled in England. The address of the registered office is Halesfield 11, Telford TF7 4LZ.

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

In preparing these financial statements, advantage has been taken of the following disclosure exemptions available under FRS102:

- No cash flow statement has been presented
- The company is a wholly owned subsidiary of CeDo Holdings Limited and has taken advantage of the exemption not to disclose transactions with CeDo Holdings Limited or other wholly owned subsidiaries within the group

The information is included in the consolidated financial statements of Norman Hay plc as at 31 December 2016 and these financial statements may be obtained from Halesfield 11, Telford, Shropshire, TF7 4LZ.

The preparation of financial statements in compliance with FRS102 requires the use of certain critical accounting estimates. It also requires Company management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

### ***Going concern basis of preparation***

Presently the operating cash requirements of the Company are being met through inter-company relationships with Cedo Limited, the UK operating company. The major creditors of the company, its holding company Cedo Holdings Limited, its fellow subsidiary Cedo Limited and its subsidiary Cedo Sp z.o.o. have confirmed that they will not require repayment of the short term creditor balance owed to it by the Company, until the Company has sufficient funds to make such repayment. Forecasts and projections, taking account of reasonably foreseeable changes in trading performance, show that the Company's trading subsidiaries are profitable and cash generative. On the basis that balances with fellow subsidiaries will not be requested for repayment unless funds become available the directors are satisfied that the going concern basis of accounts preparation is appropriate.

### ***Consolidated financial statements***

The financial statements contain information about Deco Acquisitions Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company has taken advantage of the exemption conferred by section 400 of the Companies Act 2006 not to produce consolidated financial statements as it is included in EEA group accounts of a larger group.

### ***Fixed asset investments***

Fixed asset investments are stated at cost. The carrying values of fixed asset investments are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

### ***Financial liabilities and assets***

#### **Financial instruments**

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

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**Accounting policies (continued)**

**Financial liabilities**

The company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

**Fair value through profit or loss**

This category comprises derivatives which are carried in the statement of financial position at fair value with changes in fair value recognised through profit or loss.

**At amortised cost**

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

**Financial assets**

The company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

**Fair value through profit or loss**

This category comprises derivatives which are carried in the statement of financial position at fair value with changes in fair value recognised through profit or loss.

**Loans and receivables**

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

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 company will be unable to collect all of 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, which are reported net, 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 collected, the gross carrying value of the asset is written off against the associated provision.

**Cash and cash equivalents**

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

**Taxation**

Current UK tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more, or a right to pay less, tax in the future have occurred at the balance sheet date, with the following exception that 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 difference can be deducted.

**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

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**Accounting policies (continued)**

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

***Pensions***

The company operates a number of defined contribution pension schemes for the benefit of its employees. The assets of the schemes are held separately from those of the company in independently administered funds. The annual pension cost charged in the profit and loss account reflects the contributions payable to the schemes by the company.

***Dividends***

Equity dividends are recognised when they become legally payable. Dividends on shares recognised as debt are recognised as expense.

***Foreign exchange***

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rates of exchange ruling at the dates of the transactions. All profits and losses on exchange are dealt with in the profit and loss account.

**2. Judgements in applying accounting policies and key sources of estimation uncertainty**

In applying the company's accounting policies set out above management are required to make certain estimates and judgements concerning the future. These judgements are regularly reviewed and updated as necessary. The estimates and judgements that have the most significant effect on the amounts included in these financial statements are as follows:

***Recoverability of intercompany balances***

The Company holds significant debtor balances with group companies. The directors consider these debtors to be recoverable as the groups trading subsidiaries continue to generate sufficient cash flows to enable repayment to be facilitated if and when required.

***Valuation of investments in subsidiaries***

The Company holds significant investments in fellow group companies. The directors consider the potential requirement for impairment provisions in respect of investments annually and consider that the groups trading subsidiaries continue to generate sufficient cash flows to support the value of the investments.

**3. Prior year restatement**

Management have reviewed the nature of the intercompany loans, and concluded that they are structural by nature and therefore, with one exception, should be classified as long term. A retrospective adjustment has been made to prior year intercompany debtors due within one year to reclassify £31,880k to debtors due after more than one year. A retrospective adjustment has also been made to intercompany creditors due within one year to reclassify £61,899k to creditors due after more than one year. There is no impact on the income statement or the net asset position of the company for the year ended 31 December 2015

**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

**4. Operating loss**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
This is arrived at after charging/(crediting):		
Auditor's remuneration:		
- audit services	12	12
- non audit services (taxation)	40	104
Foreign currency exchange loss/ (gain)	-	(7)
	-	-

**5. Employees**

	<b>2016</b>	<b>2016</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs (including directors) consist of:		
Wages and salaries	537	917
Social security costs	58	167
Other pension costs	11	63
	606	1,147

The average number of employees (including directors) during the year was:

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Executive management	2	4
	2	4



**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

**6. Director's remuneration**

In 2016 directors' emoluments of Kate Allum, David Pearce and Andrzej Ostrowski are borne by Deco Acquisitions Limited. The other directors have not been remunerated by the company for their services as directors. These directors do not consider that they have received or are due any remuneration for their incidental services to the company for the year ended 31 December 2016. As disclosed in note 15, and in addition to the emoluments disclosed below, Straco BVBA receives a directors' fee of £150,000 p.a. for the provision of directors and management advice to the group. The directors of the company are also directors or officers of a number of the companies within the CeDo Group.

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Emoluments	265	651
Group contributions paid to defined contribution pension schemes	11	7
	<hr/>	<hr/>
<b>Total</b>	<b>276</b>	<b>658</b>
	<hr/> <hr/>	<hr/> <hr/>
	<b>Number</b>	<b>Number</b>
Members of defined contribution pension schemes	1	2
	<hr/> <hr/>	<hr/> <hr/>

The amounts in respect of the highest paid director as follows:

	<b>£'000</b>	<b>£'000</b>
Emoluments	147	260
Group contributions paid to defined contribution pension schemes	11	-
	<hr/>	<hr/>
	<b>158</b>	<b>260</b>
	<hr/> <hr/>	<hr/> <hr/>

**7. Interest receivable and similar income (including net exchange gain)**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Interest receivable of short term deposits	1	-
Interest receivable on loans to group companies	491	918
Net foreign exchange gains on long term loans	2,042	-
Net foreign exchange gains	465	7
	<hr/>	<hr/>
	<b>2,999</b>	<b>925</b>
	<hr/> <hr/>	<hr/> <hr/>

**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

**8. Interest payable and similar charges (including net exchange loss)**

	2016 £'000	2015 £'000
Preferred dividends and interest payable	-	4,291
Interest payable on short term loans	6	-
Loans from group companies	367	628
Amortisation of loan issue costs	-	111
Net foreign exchange loss on long term loans	-	130
	<hr/>	<hr/>
	373	5,160
	<hr/>	<hr/>

**9. Taxation on loss on ordinary activities**

a) *Tax on profit on ordinary activities*

	2016 £'000	2015 £'000
<i>Current tax</i>		
UK corporation tax - current year	(332)	(465)
UK corporation tax - prior year	-	(122)
	<hr/>	<hr/>
Total tax charge for the year	(332)	(587)
	<hr/>	<hr/>
<i>Deferred tax</i>		
Origination and reversal of timing differences	394	-
Adjustment in respect of previous periods	(248)	-
	<hr/>	<hr/>
Movement in deferred tax provision	146	-
	<hr/>	<hr/>
<b>Taxation on profit on ordinary activities</b>	(186)	(587)
	<hr/>	<hr/>

**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

*b) Factors affecting the tax charge for the year*

The tax assessed for the year is different to that of the standard rate of corporation tax in the UK applied to profit before tax. The differences are explained below:

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Profit / (Loss) on ordinary activities before tax	(2,199)	(704)
Corporate tax at the standard rate of corporation tax	(440)	(143)
Effects of:		
(Income)/expenses not taxable/deductible for tax purposes	719	(322)
Effects of rate change	(217)	
Adjustment to prior year corporation tax	-	(122)
Adjustment to prior year deferred tax	(248)	-
Total tax credit for year (note 9a)	(186)	(587)

*c) Tax risks*

Tax computations will be submitted to HMRC at a later date, therefore the actual group relief position may vary based on agreements reached with HMRC.

*d) Factors that may affect future tax charges*

The Chancellor's 2016 budget announced that the UK corporation tax rate will reduce to 19% from 1 April 2017 with a further reduction to 17% from 1 April 2020. This will reduce the company's current tax charge accordingly.

**10. Fixed asset investments**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b>
Investment in subsidiary undertakings (cost)	27,227	27,227

In the opinion of the directors, the aggregate value of the investment in subsidiary undertakings is not less than the amount at which they are stated in the balance sheet.

**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

The principal undertakings in which the company's interest at the year end is 20% or more are as follows:

**Subsidiary undertakings**

<b>Company</b>	<b>Country of registration</b>	<b>Shareholding</b>	<b>Principal activity</b>
CeDo Household Products Limited	UK	100%	Holding company
CeDo Folien und Haushaltsprodukte GmbH	Germany	100%	Distribution of disposable household products
CeDo SAS	France	100%	Distribution of disposable household products
CeDo Sp. z.o.o.	Poland	100%	Manufacture and distribution of disposable household products
CeDo Moscow OOO	Russian Federation	100%	Distribution of disposable household products
CeDo (Vietnam) Ltd	Vietnam	100%	Manufacture and distribution of disposable household products
CeDo Recycling B.V.	The Netherlands	100%	Manufacture of recycled materials
CeDo (Shanghai) Limited *	PRC	100%	No longer trading
CeDo Supply Chain Sp. z.o.o.	Poland	100%	No longer trading

\* Indirect holding

**11. Debtors**

**Amounts falling due in less than one year**

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
		<b>restated</b>
Amounts due from group undertakings	9,470	8,167
Corporation tax recoverable	361	465
Prepayments and accrued income	28	52
Other debtors	214	12
	<u>10,073</u>	<u>8,696</u>

**Amounts falling due in more than one year**

Amounts due from group undertakings	<u>32,451</u>	<u>31,880</u>
	<u>42,524</u>	<u>40,576</u>

**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

The amounts due from group undertakings within one year are unsecured and do not bear interest. Although the amounts due are technically repayable within 12 months of the balance sheet date the directors do not expect that any significant repayments will be made in that period.

The amounts due from group undertakings due after more than 1 year are unsecured and bear interest at varying rates of interest between 1% and 6%. Settlement of these balances is neither planned nor likely to occur in the foreseeable future. In instances where the current loan instrument shows a repayable event in less than 12 months the loan terms will be extended to at least more than 12 months and there is no intention for settlement in the foreseeable future.

The impairment charge recognised in administrative expenses in respect of bad and doubtful debts was £Nil (2015 - £Nil).

**12. Creditors: Amounts falling due within one year**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b> <b>restated</b>
Amounts owed to group undertakings	9,770	8,425
Other taxes and social security costs	13	23
Other creditors	665	779
	<u>10,448</u>	<u>9,227</u>

**13. Creditors: Amounts falling due for repayment after more than one year**

	<b>2016</b> <b>£'000</b>	<b>2015</b> <b>£'000</b> <b>restated</b>
Amounts owed to group undertakings	65,171	61,899
Deferred tax liability	136	-
	<u>65,307</u>	<u>61,899</u>

The amounts due to group undertakings within one year are unsecured and do not bear interest. Although the amounts due are technically due for repayment within one year settlement of these amounts is neither planned nor likely to occur in the foreseeable future.

The amounts due to group undertakings falling due after more than 1 year are unsecured and bear interest at varying rates of interest between 1% and 6%. Settlement of these balances is neither planned nor likely to occur in the foreseeable future. In instances where the current loan instrument shows a repayable event in less than 12 months the loan terms will be extended to at least more than 12 months and there is no intention for settlement in the foreseeable future.

**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

**14. Share Capital**

	2016 Number	2016 £	2015 Number	2015 £
Ordinary shares of £1 each	1,606,500	1,606,500	1,606,500	1,606,500
Preference shares of £1 each	503,207	503,207	503,207	503,207
	2,109,707	2,109,707	2,109,707	2,109,707
	2,109,707	2,109,707	2,109,707	2,109,707

Following the group restructure in 2015, dividend payments are now made at the discretion of the Board of Directors in line with changes to the terms of the instrument. As a result, the preference shares are now regarded as an equity instrument.

**15. Financial instruments**

The fair value of financial instruments analysed by hedge type are as follows:

	Recognised gain/(loss) on fair value		Unrecognised gain/(loss) on fair value	
	2016 Debtor £'000	2016 Creditor £'000	2015 Debtor £'000	2015 Creditor £'000
Forward foreign exchange contracts	-	(41)	394	-
Forward commodity contracts	170	-	-	(552)
	170	(41)	394	(552)
	170	(41)	394	(552)

In 2016 the directors have recognised the fair value of derivative contracts as disclosed above. This is included within other debtors (see note 10).

	2016 £'000	2015 £'000
<b>Financial assets</b>		
Financial assets measured at amortised cost	7,537	6,725
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	678	779

Financial assets measured at amortised cost comprise cash at bank and in hand, other debtors and prepayments.

Financial liabilities measured at amortised cost comprise bank loans and other creditors.

Financial assets and liabilities measured at fair value include the forward contracts disclosed above.

**Deco Acquisitions Limited**  
**Notes forming part of the financial statements**  
**for the year ended 31 December 2016**

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**16. Contingent liabilities**

The directors are not aware of any contingent liabilities requiring disclosure.

**17. Related party transactions**

The company is a wholly owned subsidiary of Cedo Holdings Limited and has taken advantage of the exemption conferred by Section 33 of Financial Reporting Standard 102 not to disclose transactions with Cedo Holdings Limited or other wholly owned subsidiaries within the group.

The Ultimate Parent Company, Straco BVBA, receives a directors' fee of £150,000 p.a. for the provision of directors and management advice to the group.

During the year the group entered into the following transactions in the ordinary course of business, with related parties:

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Management fees	(150)	(150)
	<u>                    </u>	<u>                    </u>

Trading balances payable at 31 December are as follows:

	<b>2016</b>	<b>2015</b>
	<b>£'000</b>	<b>£'000</b>
Management fees	150	150
	<u>                    </u>	<u>                    </u>

The directors are remunerated according to service contracts with the parent company. Other than as noted above, there have been no related party transactions with the directors as defined by Financial Reporting Standard 102, 'Related Party Disclosures'. Directors' emoluments are separately disclosed in note 5.

The Directors regard themselves as key management personnel in the group.

**18. Ultimate controlling party**

The directors regard CeDo Holdings Limited, a company incorporated in the UK, as the ultimate parent company and Straco BVBA (a private investment fund incorporated in Belgium) as the ultimate controlling party.

The largest and smallest group in which the results of the company are consolidated is that headed by CeDo Holdings Limited. The consolidated accounts of this company are available to the public and may be obtained from the Company Secretary, CeDo Holdings Limited, Halesfield 11, Telford, Shropshire, TF7 4LZ. No other group accounts include the results of the company.