

**Alu Midco Limited**

**Directors' report and financial  
statements**

**Registered number 09189033**

**Year ended 31 December 2017**

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## **Company information**

<b>Directors:</b>	EA Robinson MR West WJS Flo
<b>Company Number</b>	09189033
<b>Registered Office</b>	Arnolds Way Yatton North Somerset BS49 4QN
<b>Auditor</b>	KPMG LLP 66 Queen Square Bristol BS1 4BE

## Strategic report

The directors present their Strategic Report for the year ended 31 December 2017.

### Principal activities

The principal activity of the company is that of an intermediate holding company, holding indirectly 100% of the Corialis Group. The principal activity of the Corialis Group is the design, manufacture and distribution of architectural aluminium profiles and the manufacture and distribution of aluminium extrusion profiles.

### Results

For the year ending 31 December 2017 the result of the year amounted to a loss of €630k (2016: €nil). The performance of the Company is impacted by tax charges applied to intercompany interest. The performance of the group is disclosed within the group consolidated accounts available from the address in note 12.

### Business review

The key risks facing the Company are the impairment of its investments and non-recoverability of amounts due from investments caused by trading losses at the operating subsidiary level. These risks are managed by the operating subsidiaries.

The directors consider the principal risks to the subsidiary businesses to be the evolution of the European construction business and the uncertainty of aluminium prices. Until now, the business has not been negatively impacted by the outcome of the UK Brexit referendum and management believes that it has taken such steps as are necessary to assess and mitigate against material effects in the future.

The directors believe that despite these risks the Group will continue its growth pattern and will be able to grow in both market share and profitability.

The Company's key performance indicators are detailed below:

	2017 €000	2016 €000
Operating income	-	-
Profit/(loss) on ordinary activities before taxation	8	-

By order of the board,

WJS Flo  
Director

September 26, 2018

## Directors' report

The directors present their directors' report and the audited financial statements for the year ended 31 December 2017.

### Principal activities and business review

The principal activity of the company is that of an intermediate holding company. The results of the year ended 31 December 2017 are shown in the statement of profit and loss and other comprehensive income on page 7.

The business review is discussed in the strategic report.

### Proposed dividend

The directors do not recommend the payment of a dividend (2016: £nil).

### Directors and directors' interests

The directors who held office during the year and up to date of signing the financial statements were as follows:

EA Robinson

MR West

WJS Flo

The interests of the directors are disclosed in the directors' report of the parent company.

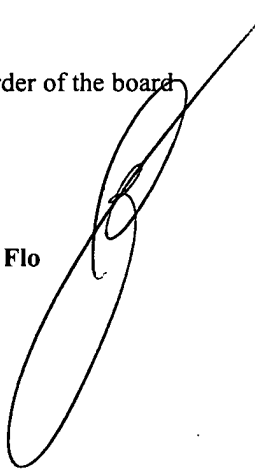
None of the other directors who held office at the end of the financial year had any disclosable interest in the shares of the company.

### Disclosure of information to auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the board

WJS Flo

A large, stylized handwritten signature in black ink, appearing to be 'WJS Flo', is written over the printed name 'WJS Flo' and extends upwards towards the 'By order of the board' text.

C/o Smart Systems Limited  
Arnolds Way  
Yatton  
North Somerset  
BS49 4QN

September 2018

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT, THE DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 *Reduced Disclosure Framework*.

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 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;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 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, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

# **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALU MIDCO LIMITED**

## **Opinion**

We have audited the financial statements of Alu Midco Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of profit and loss and comprehensive income, Statement of financial position and Statement of changes in equity and related notes, including the accounting policies in note 1.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its loss for the year then ended;
- have been properly prepared in accordance with UK accounting standards, including FRS 101 *Reduced Disclosure Framework* 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 are described below. We have fulfilled our ethical responsibilities under, and are independent of the company in accordance with, UK ethical requirements including the FRC Ethical Standard. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion.

## **Going concern**

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

## **Strategic report and directors' report**

The directors are responsible for the strategic report and the directors' report. Our opinion on the financial statements does not cover those reports and we do not express an audit opinion thereon.

Our responsibility is to read the strategic report and the directors' report and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work:

- we have not identified material misstatements in the strategic report and the directors' report;
- in our opinion the information given in those reports for the financial year is consistent with the financial statements; and
- in our opinion those reports have been prepared in accordance with the Companies Act 2006.

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

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

- adequate accounting records have not been kept, 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.

We have nothing to report in these respects.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALU MIDCO LIMITED** *(continued)*

### **Directors' responsibilities**

As explained more fully in their 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; 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; 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 they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities**

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 our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

A fuller description of our responsibilities is provided on the FRC's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities).

### **The purpose of our audit work and to whom we owe our responsibilities**

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.

*Kate Teal*

**Kate Teal (Senior Statutory Auditor)**

**for and on behalf of KPMG LLP, Statutory Auditor**

*Chartered Accountants*

66 Queen Square

Bristol

BS1 4BE

27 September 2018

## Statement of profit and loss and other comprehensive income

*for the year ended 31 December 2017*

	<i>Note</i>	2017 € 000	2016 € 000
<b>Turnover</b>		-	-
<b>Gross profit</b>		-	-
Administrative expenses		-	-
<b>Operating loss</b>		-	-
Other interest receivable and similar income	5	13 636	12 229
Interest payable and similar expenses	5	(13 628)	(12 229)
<b>Profit before taxation</b>		<b>8</b>	-
Tax on profit	8	(638)	-
<b>Loss for the financial year</b>		<b>(630)</b>	-

The profit and loss account has been prepared on the basis that all operations are continuing operations. There are no recognised gains and losses other than those passing through the profit and loss.

The notes on pages 10 to 19 form part of these financial statements.

**Statement of financial position**  
*at 31 December 2017*

	<u>Note</u>	2017 € 000	2016 € 000
<b><u>Non-current assets</u></b>			
Investments	6	101 427	101 427
Amounts owed by group undertakings	7	162 724	149 727
		<b><u>264 151</u></b>	<b><u>251 154</u></b>
<b><u>Current assets</u></b>			
Cash at bank and in hand		-	-
<b>Total assets</b>		<b>264 151</b>	<b>251 154</b>
<b><u>Creditors: amounts falling due after more than one year</u></b>			
Amounts owed to group undertakings	9	163 354	149 727
<b>Total Liabilities</b>		<b>163 354</b>	<b>149 727</b>
<b><u>Capital and reserves</u></b>			
Called up share capital	10	100 997	100 997
Share premium account		442	442
Profit and loss account		(642)	(12)
<b>Total Equity</b>		<b>100 797</b>	<b>101 427</b>
<b>Total Liabilities and Equity</b>		<b>264 151</b>	<b>251 154</b>

The notes on pages 10 to 19 form an integral part of these financial statements.

These financial statements were approved by the board of directors on September 26, 2018 and were signed on its behalf by:

**WJS Flo**  
Director  
Alu Midco Limited  
Registered Number 09189033

**Statement of changes in equity**  
*at 31 December 2017*

	Share capital	Share premium	Retained Earnings	Total Equity
	€ 000	€ 000	€ 000	€ 000
Balance at 01 January 2017	100 997	442	(12)	101 427
Loss for the year	-	-	(630)	(630)
Total comprehensive income for the year	-	-	(642)	(642)
Issue of shares	-	-	-	-
Balance at 31 December 2016	100 997	442	(642)	100 797

*at 31 December 2016*

	Share capital	Share premium	Retained Earnings	Total Equity
	€ 000	€ 000	€ 000	€ 000
Balance at 01 January 2016	100 997	442	(12)	101 427
Result for the year	-	-	-	-
Total comprehensive income for the year	-	-	-	-
Issue of shares	-	-	-	-
Balance at 31 December 2016	100 997	442	(12)	101 427

The notes on pages 10 to 19 form an integral part of these financial statements.

## Notes

*(forming part of the financial statements)*

### 1 Accounting policies

Alu Midco Limited (the "Company") is a company incorporated, domiciled and registered in the UK.

The Company is exempt by virtue of s400 of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The following accounting policies have been applied consistently throughout the financial statements.

#### ***Basis of preparation***

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and on the historical cost basis. The presentational currency of these financial statements is Euro and all amounts are rounded to the nearest thousand.

In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

100% of the company's voting rights are controlled within the group headed by Corialis Group Ltd, whose consolidated financial statements are prepared in accordance with International Financial Reporting Standards and include the results of Alu Midco Limited; the consolidated financial statements can be obtained from the address given in note 12.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- Cash Flow Statement and related notes;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective IFRSs;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Corialis Group Ltd include the equivalent disclosures, the Company has also taken the exemptions under FRS 101 available in respect of the following disclosures:

- Certain disclosures required by IAS 36 *Impairment of assets* in respect of the impairment of goodwill and indefinite life intangible assets;

The Company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 13.

## Notes (continued)

### *Going concern*

The directors have reviewed the Company's forecast and 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 in preparing the annual financial statements.

### *Foreign currencies*

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the profit and loss account. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined.

### *Financial instruments*

#### *Classification of financial instruments issued by the Company*

Following the adoption of IAS 32, financial instruments issued by the Company are treated as equity only to the extent that they meet the following two conditions:

- (a) they include no contractual obligations upon the company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the company; and
- (b) where the instrument will or may be settled in the company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the company's own equity instruments or is a derivative that will be settled by the company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that this definition is not met, the proceeds of issue are classified as a financial liability. Where the instrument so classified takes the legal form of the company's own shares, the amounts presented in these financial statements for called up share capital and share premium account exclude amounts in relation to those shares.

#### *Non-derivative financial instruments*

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

- *Trade and other debtors*

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

- *Trade and other creditors*

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

- *Investments in debt and equity securities*

Investments in jointly controlled entities, associates and subsidiaries are carried at cost less impairment.

- *Interest-bearing borrowings*

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

## Notes (continued)

### ***Taxation***

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised, without discounting, in respect of all timing differences between the treatment of certain items for taxation and accounting purposes which have arisen but not reversed by the balance sheet date, except as otherwise required by FRS 101. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

### ***Impairment***

#### *Financial assets (including trade and other debtors)*

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the Company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

#### *Non-financial assets*

The carrying amounts of the Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## **Notes (continued)**

### ***Interest receivable and Interest payable and other finance income and costs***

Interest payable and similar expenses include interest payable, finance charges on shares classified as liabilities and finance leases recognised in profit or loss using the effective interest method, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Dividend income is recognised in the profit and loss account on the date the entity's right to receive payments is established. Foreign currency gains and losses are reported on a net basis.

### ***Provisions***

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, that can be reliably measured and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects risks specific to the liability.

## Notes (continued)

### 2 Staff numbers and costs

The Company did not employ any persons other than the directors during the financial year (2016: €nil).

### 3 Directors' remuneration

The remuneration of the directors of the company is included in the payroll costs of one of the subsidiaries listed in Note 6. No remuneration was allocated to the Company. The total remuneration of the directors during the financial year was €464k (2016: €630k). The remuneration of the highest paid director amounts to €251k (2016: €299k). Retirement benefits are accruing to 3 directors under money purchase schemes. The total pension contribution for the directors during the financial year was €38k (2016: €45k). The total pension contribution for the highest paid director amounts to €nil (2016: €nil).

### 4 Auditor's remuneration

	2017 € 000	2016 € 000
Audit of these financial statements	4	10
<b>Total</b>	<b>4</b>	<b>10</b>

Amounts receivable by the Company's auditor and its associates in respect of services to the Company and its associates, other than the audit of the Company's financial statements, have not been disclosed as the information is required instead to be disclosed on a consolidated basis in the consolidated financial statements of the Company's parent, Corialis Group Ltd.

### 5 Net finance costs

	2017 € 000	2016 € 000
Interest income	13 628	12 229
Net foreign exchange gain	8	-
<b>Financial income</b>	<b>13 636</b>	<b>12 229</b>
Interest expense unsecured loan notes	(13 628)	(12 229)
<b>Financial costs</b>	<b>(13 628)</b>	<b>(12 229)</b>
<b>Net finance costs</b>	<b>8</b>	<b>-</b>

**Notes** *(continued)*

**6 Financial asset investments**

	<b>2017</b>
	<b>€ 000</b>
<i>Shares</i>	
<i>Cost</i>	
At 01 January 2017	101 427
Acquisition through share capital increase	-
<b>At 31 December 2017</b>	<b>101 427</b>
<i>Provisions</i>	-
<b>At 31 December 2017</b>	<b>101 427</b>

## Notes (continued)

### 6 Financial asset investments (continued)

The companies in which the Company held interest at year end are as follows:

		Country of incorporation	Ownership interest		Registered office
			2017	2016	
Fomuis UK Ltd	Holding	United Kingdom	100%	100%	Arnolds Way, Yatton, BS49 4QN, United Kingdom
Smart Systems Ltd	Sale and distribution	United Kingdom	100%	100%	Arnolds Way, Yatton, BS49 4QN, United Kingdom
Smart Aluminium Extrusions Ltd	Extrusion	United Kingdom	100%	100%	Arnolds Way, Yatton, BS49 4QN, United Kingdom
Aliplast Holdings Ltd	Holding	United Kingdom	100%	100%	Arnolds Way, Yatton, BS49 4QN, United Kingdom
Alu Holdco 1 Ltd	Holding	United Kingdom	100%	100%	Arnolds Way, Yatton, BS49 4QN, United Kingdom
Alu Holdco 2 Ltd	Holding	United Kingdom	100%	100%	Arnolds Way, Yatton, BS49 4QN, United Kingdom
Alu Bidco Ltd	Holding	United Kingdom	100%	100%	Arnolds Way, Yatton, BS49 4QN, United Kingdom
Fomuis France Sarl	Holding	France	100%	100%	10 Rue Alfred Sauvy, 34670 Baillargues, France
PLU Holding SAS	Holding	France	100%	100%	10 Rue Alfred Sauvy, 34670 Baillargues, France
PLU Management SAS	Holding	France	100%	100%	10 Rue Alfred Sauvy, 34670 Baillargues, France
Fomuis Aluminium Holding Belgium NV	Holding	Belgium	100%	100%	Waaslandlaan 15, 9160 Lokeren, Belgium
Aliplast Aluminium Extrusion NV	Extrusion	Belgium	100%	100%	Waaslandlaan 36, 9160 Lokeren, Belgium
Corialis International NV	Holding	Belgium	100%	100%	Waaslandlaan 15, 9160 Lokeren, Belgium
Aliplast NV	Sale and distribution	Belgium	100%	100%	Waaslandlaan 15, 9160 Lokeren, Belgium
Aliplast Aluminium China Company Ltd	Manufacture and sale	China	100%	100%	Zhili Industrial Park, Huzhou City, Zhejiang Province, China
Profilis Systèmes SAS	Manufacture and sale	France	100%	100%	10 Rue Alfred Sauvy, 34670 Baillargues, France
LCB SASU	Coating	La Réunion	100%	100%	12 Rue Montaigne, 97430 Le Tampon, La Réunion
Arc en Ciel SCI	Real estate	La Réunion	100%	100%	12 Rue Montaigne, 97430 Le Tampon, La Réunion
JMD SAS	Sale and distribution	La Réunion	100%	100%	12 Rue Montaigne, 97430 Le Tampon, La Réunion
RARInvest SNC	Real estate	La Réunion	100%	100%	12 Rue Montaigne, 97430 Le Tampon, La Réunion
Aliplast Sp. z o.o.	Manufacture and sale	Poland	100%	100%	Ul. Wacława Moritza 3, 20-276 Lublin, Poland
Aliplast Extrusion Sp. z o.o.	Extrusion	Poland	100%	100%	Ul. Wacława Moritza 3, 20-276 Lublin, Poland
Accessories Trading Company (Shanghai) Co Ltd	Accessories trading	China	100%	100%	Building 1, N 738, Changyong Road, Shanghai, China
JMD Systems South Africa (Pty) Ltd	Sale and distribution	South Africa	100%	100%	PO Box 6697, Johannesburg, Western Cape, 2000 South Africa
Hinges and Hardware Holdings (Pty) Ltd	Holding	South Africa	80%	0%	Unit 6, Kondi Park, 31 Portland Road, Mkondeni, Pietermaritzburg, KwaZulu Natal, 3201 South Africa
Hinges and Hardware (Pty) Ltd	Sale and distribution	South Africa	80%	0%	Unit 6, Kondi Park, 31 Portland Road, Mkondeni, Pietermaritzburg, KwaZulu Natal, 3201 South Africa
Aliplast Aluminium Systems d.o.o.	Sale and distribution	Serbia	100%	0%	Milosa Oblicia 64, 22310 Samanovci, Serbia

Except for Hinges and Hardware Holdings (Pty) Ltd, the group owns all the shares and voting rights of the abovementioned entities.

## Notes (continued)

### 7 Debtors

At 31 December 2017, the company had an intercompany loan receivable due from Alu Holdco 1 Ltd of €163.4 million (2016: €149.7 million). This intercompany loan carries an interest rate of 9.1018% per annum. The termination date of the intercompany loan is 29 October 2024.

### 8 Corporation Tax

The company incurred a taxable profit of €3.3 million in 2017 (2016: €nil) as a result of the new anti-hybrid mismatch rules that entered into force as from 01 January 2017.

#### Reconciliation of effective tax rate

	2017 € 000	2016 € 000
Loss for the year	(630)	-
Total tax expense	638	-
<b>Profit excluding taxation</b>	<b>8</b>	<b>-</b>
Tax using the UK corporation tax rate of 19.25% (2016: 20.25%)	2	-
Non-deductible expenses	636	-
Total tax expense	638	-
<b>Effective tax rate</b>	<b>7975%</b>	<b>0%</b>

#### Recognised in the profit and loss account

	2017 € 000	2016 € 000
<i>UK Corporation Tax</i>		
Current tax on profit for the period	638	-
Total current tax	638	-
<b>Tax charge on profit</b>	<b>638</b>	<b>-</b>

## Notes (continued)

### 9 Interest bearing loans and borrowings

This note provides information about the contractual terms of the Company's interest-bearing loans and borrowings, which are measured at amortised cost.

	2017 € 000	2016 € 000
<b>Non-current liabilities</b>		
Unsecured loan notes	-	149 727
Intercompany loan Corialis Group Ltd	163 354	-
	<u>163 354</u>	<u>149 727</u>

The unsecured loan notes carried PIK interest at a rate of 9.1018% per year and matured on 28th October 2063. The loan notes were listed on the Channel Islands Securities Exchange on 18th September 2015. Following a change of control on 29<sup>th</sup> March 2017, the loan notes were delisted in December 2017 and converted into intercompany loans with Corialis Group Ltd which attract an interest rate of 9.1018 % and expire on 29 October 2024.

### 10 Share Capital

All share capital has been authorized, issued and fully paid. All ordinary shares have voting rights attached. The ordinary shares rank after the preference shares and have the right to participate in the profits of the company after payment of the dividend of the non-cumulative dividend of 9% to the holders of the preference shares.

The preference shares bear a dividend of 9%, payable at the discretion of the shareholders. Subject to the provisions of the Companies Act 2006, the company may redeem the preference shares at any time at the discretion of the directors. The holders of the preference shares have no voting rights. All preference shares have been classified as equity.

The company did not issue nor redeem any shares in 2017.

	2017	2016
<b>Number of shares</b>		
Ordinary shares	1,518,450,666	1,518,450,666
Preference shares	8,581,241,387	8,581,241,387
<b>Total number of shares with a nominal value of €0,01</b>	<u>10,099,692,053</u>	<u>10,099,692,053</u>

## **Notes (continued)**

### **11 Related party disclosures**

The company took advantage of the exemption under FRS101 from disclosing transactions with wholly owned subsidiaries of the group and from disclosing the key management personnel remuneration.

### **12 Ultimate parent company and parent undertaking of larger group of which the company is a member**

The company is a subsidiary undertaking of Alu Topco Ltd incorporated in England and Wales with registered address c/o Smart Systems, Arnolds Way, Yatton, BS49 4QN. The ultimate parent company is Feather Investments Holdings S.C.A., incorporated in Luxemburg with registered address 20 Avenue Monterey, 2163 Luxemburg.

The largest (and smallest) group in which the results of the company are consolidated is that headed by Corialis Group Ltd, incorporated in England and Wales. The consolidated accounts of these groups are available to the public and may be obtained from Companies House, Crown Way, Cardiff, CF14 3UZ.

### **13 Accounting estimates and judgements**

Management discussed with the Audit Committee the development, selection and disclosure of the Group's critical accounting policies and estimates and the application of these policies and estimates. Management has used assumptions and made estimates with respect to the valuation of shares in group undertakings.

The directors have reviewed the carrying value of the Company's investment as at 31 December 2017 and, in their opinion, the shares in its subsidiary are worth at least the amount stated in the balance sheet. The directors have also reviewed the receivables due from its subsidiary and believe that the amount is fully recoverable.

### **14 Subsequent events**

There were no significant events between 31 December 2017 and the date of this report.