

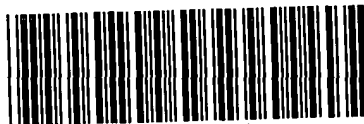
# Valbruna UK Limited

Registered number: 2015096

## Directors' report and financial statements

For the year ended 31 December 2014

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# VALBRUNA UK LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	M A Gresele V Viero P Wood
<b>Company secretary</b>	V Viero
<b>Registered number</b>	2015096
<b>Registered office</b>	Oldbury Road West Bromwich West Midlands B70 9BT
<b>Independent auditors</b>	Mazars LLP Chartered Accountants & Statutory Auditor 45 Church Street Birmingham B3 2RT
<b>Bankers</b>	HSBC Bank Plc 130 New Street Birmingham West Midlands B2 4JU

# VALBRUNA UK LIMITED

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# **VALBRUNA UK LIMITED**

## **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014**

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The directors present their report and the financial statements for the year ended 31 December 2014.

### **Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report, Strategic Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 judgments 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;
- 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.

### **Future developments**

The directors are optimistic that the level of activity will remain satisfactory in the coming financial year in spite of some ongoing challenging market conditions.

### **Results**

The profit for the year, after taxation, amounted to £404,030 (2013 - £270,457).

### **Dividends**

The directors do not recommend the payment of any dividend.

### **Directors**

The directors who served during the year were:

M A Gresele  
V Viero  
P Wood

### **Directors Indemnity**

The company has Directors' and Officers' Insurance in place and the directors have confirmed that the level of cover taken out is adequate.

# VALBRUNA UK LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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### Financial risk management

#### Credit Risk

All customers who wish to trade on credit terms are subject to credit verification procedures. Receivable balances are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

#### Liquidity Risk

The company manages its cash and borrowing requirements to maximise interest income and minimise interest expense, whilst ensuring the company has sufficient liquid resources to meet the operating needs of the business.

#### Financial Instruments

The directors of the company regularly review the financial risks to which the company is exposed. The company is supported by its parent group and is invoiced largely in sterling. Credit risk exposures are dealt with by insurance arrangements.

The company does not enter into any hedging transactions and does not have any abnormal exposure price, credit, liquidity and cash flow risks arising from trading activities. Transactions in foreign currencies are transacted at spot rates.

### Disclosure of information to auditors

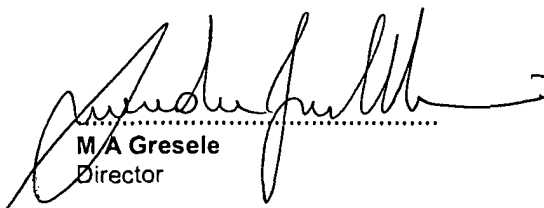
Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

### Auditors

The auditors, Mazars LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



M/A Gresele  
Director

Date:

# VALBRUNA UK LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2014

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### Introduction

The principal activity of the company continued to be stockholders of stainless steel and nickel alloy.

There have not been any significant changes in the Company's activities in the year under review. The directors are not aware, as at the date of this report, of any likely major changes in the Company's principal activities in the next year.

### Business review

Following a good start of the year, market conditions slowed in the second part of 2014. As a result the company reached £25 million in sales which represents a 3.6% decrease on the previous year. In spite of this trading margins generated both in value and percentage terms were higher than last year, hence the stronger result.

Collections of trade receivables were generally within trading terms and no significant bad debt was incurred. The level of business and the year end financial position were satisfactory.

### Principal risks and uncertainties

The principal risk identified by the directors continue to be in relation to the growth of revenues and customers in what continues to be a challenging and competitive market. The company always continues to develop and grow relations with existing customers and grow overall customer numbers by delivering a high quality product.

### Financial key performance indicators

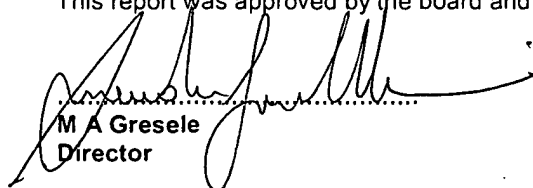
Turnover of £25,008,782 was 3.6% lower than 2013 (£25,943,294) and profits before tax rose by 45% to £516,872 (2013: £355,262). The gross margin was 12.4% (2013: 11.3%).

Cash used in operations was £478,044 (2013: £1,349,782).

### Outlook

The directors are optimistic that the level of activity will remain satisfactory in the 2015 financial year in spite of some ongoing challenging market conditions.

This report was approved by the board and signed on its behalf.



M A Gresele  
Director

Date:

# **VALBRUNA UK LIMITED**

## **INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VALBRUNA UK LIMITED**

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We have audited the financial statements of Valbruna UK Limited for the year ended 31 December 2014 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement 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).

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

As explained more fully in the Directors' Responsibilities Statement set out on page 1, 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 Auditing Practices Board's Ethical Standards for Auditors. 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 Auditors' 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.

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

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

### **Opinion on the 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 2014 and of its profit 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 the other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic and Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# VALBRUNA UK LIMITED

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF VALBRUNA UK LIMITED

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

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, 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.

*Louis Burns*

Louis Burns (Senior Statutory Auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

45 Church Street  
Birmingham  
B3 2RT

Date: *17 April 2015*



# VALBRUNA UK LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
Turnover	1,2	25,008,782	25,943,294
Cost of sales		(21,898,584)	(23,006,239)
<b>Gross profit</b>		<b>3,110,198</b>	<b>2,937,055</b>
Distribution costs		(1,083,924)	(1,070,459)
Administrative expenses		(1,341,459)	(1,287,412)
Other operating income	3	71,213	45,108
<b>Operating profit</b>	4	<b>756,028</b>	<b>624,292</b>
Interest receivable and similar income		-	205
Interest payable and similar charges	8	(239,156)	(269,235)
<b>Profit on ordinary activities before taxation</b>		<b>516,872</b>	<b>355,262</b>
Tax on profit on ordinary activities	9	(112,842)	(84,805)
<b>Profit for the financial year</b>	19	<b>404,030</b>	<b>270,457</b>

All amounts relate to continuing operations.

The notes on pages 10 to 21 form part of these financial statements.

## VALBRUNA UK LIMITED

### STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014

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	2014 £	2013 £
Profit for the financial year	404,030	270,457
Unrealised surplus on revaluation of investment properties	-	649,467
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	<u>404,030</u>	<u>919,924</u>

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### NOTE OF HISTORICAL COST PROFITS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2014

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	2014 £	2013 £
Reported profit on ordinary activities before taxation	516,872	355,262
Historical cost profit on ordinary activities before taxation	<u>516,872</u>	<u>355,262</u>
	<hr/>	<hr/>
Historical profit for the year after taxation	<u>404,030</u>	<u>270,457</u>

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The notes on pages 10 to 21 form part of these financial statements.

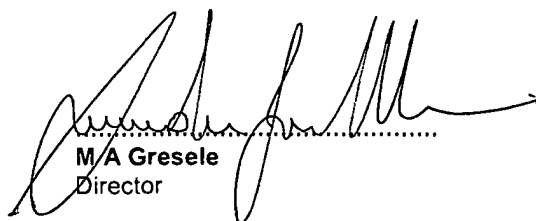
**VALBRUNA UK LIMITED**

Registered number: 2015096

**BALANCE SHEET****AS AT 31 DECEMBER 2014**

	Note	£	2014 £	£	2013 £
<b>Fixed assets</b>					
Tangible assets	10		2,256,762		2,255,396
Investment property	11		1,850,000		1,850,000
Investments	12		2,763		2,763
			<u>4,109,525</u>		<u>4,108,159</u>
<b>Current assets</b>					
Stocks	13	14,725,380		15,813,699	
Debtors	14	5,537,211		5,566,464	
Cash at bank		95,204		107,785	
		<u>20,357,795</u>		<u>21,487,948</u>	
<b>Creditors: amounts falling due within one year</b>	15	(16,408,322)		(11,561,293)	
<b>Net current assets</b>			<u>3,949,473</u>		<u>9,926,655</u>
<b>Total assets less current liabilities</b>			<u>8,058,998</u>		<u>14,034,814</u>
<b>Creditors: amounts falling due after more than one year</b>	16		-		(6,400,986)
<b>Provisions for liabilities</b>					
Deferred tax	17		(152,926)		(131,786)
<b>Net assets</b>			<u><u>7,906,072</u></u>		<u><u>7,502,042</u></u>
<b>Capital and reserves</b>					
Called up share capital	18		1,500,000		1,500,000
Revaluation reserve	19		959,955		959,955
Profit and loss account	19		5,446,117		5,042,087
<b>Shareholders' funds</b>	20		<u><u>7,906,072</u></u>		<u><u>7,502,042</u></u>

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



**M.A. Gresele**  
Director

Date:

The notes on pages 10 to 21 form part of these financial statements.

# VALBRUNA UK LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2014

	Note	2014 £	2013 £
Net cash flow from operating activities	21	(478,044)	(1,349,782)
Returns on investments and servicing of finance	22	(239,156)	(269,031)
Taxation		(121,084)	(119,489)
Capital expenditure and financial investment	22	(274,297)	(295,788)
<b>Cash outflow before financing</b>		<b>(1,112,581)</b>	<b>(2,034,090)</b>
Financing	22	1,100,000	2,301,239
<b>(Decrease)/Increase in cash in the year</b>		<b>(12,581)</b>	<b>267,149</b>

## RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS/DEBT FOR THE YEAR ENDED 31 DECEMBER 2014

	2014 £	2013 £
(Decrease)/Increase in cash in the year	(12,581)	267,149
Cash inflow from increase in debt and lease financing	(1,100,000)	(2,301,239)
<b>Movement in net debt in the year</b>	<b>(1,112,581)</b>	<b>(2,034,090)</b>
Net debt at 1 January 2014	(6,292,215)	(4,258,125)
<b>Net debt at 31 December 2014</b>	<b>(7,404,796)</b>	<b>(6,292,215)</b>

The notes on pages 10 to 21 form part of these financial statements.

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 1. Accounting Policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention as modified by the revaluation of investment properties and in accordance with applicable accounting standards.

#### 1.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have reviewed cash flow forecasts for a period of at least twelve months from the date of approval of the financial statements.

On this basis the directors consider that the company has adequate funds to meet its liabilities for a period of at least twelve months from the date of approval of the financial statements.

#### 1.3 Turnover

Turnover comprises revenue recognised by the company in respect of goods and services supplied during the year, exclusive of Value Added Tax and trade discounts.

#### 1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost or valuation less depreciation. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	4%
Plant & machinery	-	12.5%
Motor vehicles	-	25%
Fixtures & fittings	-	12.5%
Computer equipment	-	25%

#### 1.5 Investments

Investments held as fixed assets are shown at cost less provision for impairment.

#### 1.6 Investment properties

Investment properties are included in the Balance Sheet at their open market value in accordance with Statement of Standard Accounting Practice No.19 and are not depreciated. This treatment is contrary to the Companies Act 2006 which states that fixed assets should be depreciated but is, in the opinion of the directors, necessary in order to give a true and fair view of the financial position of the company.

#### 1.7 Operating leases

Rentals under operating leases are charged to the Profit and Loss Account on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 1. Accounting Policies (continued)

#### 1.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost is calculated using the weighted average method and consists of material costs and all direct costs.

#### 1.9 Deferred taxation

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

Deferred tax is not provided on timing differences arising from the revaluation of fixed assets in the financial statements.

A net deferred tax asset is recognised only if it can be regarded as 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 assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are discounted.

#### 1.10 Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

Exchange gains and losses are recognised in the Profit and Loss Account.

#### 1.11 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 2. Turnover

The whole of the turnover is attributable to the sales of stainless steel and nickel alloy.

A geographical analysis of turnover is as follows:

	2014 £	2013 £
United Kingdom	23,912,956	24,810,623
Rest of European Union	730,474	616,258
Rest of world	365,352	516,413
	<u>25,008,782</u>	<u>25,943,294</u>

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 3. Other operating income

	2014 £	2013 £
Other operating income	71,213	45,108

### 4. Operating profit

The operating profit is stated after charging:

	2014 £	2013 £
Depreciation of tangible fixed assets:		
- owned by the company	276,581	267,517
Operating lease rentals:		
- plant and machinery	11,382	11,382
Difference on foreign exchange	17,451	10,906

### 5. Auditors' remuneration

	2014 £	2013 £
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	21,165	21,835
Fees payable to the company's auditor and its associates in respect of:		
Taxation compliance services	2,400	2,369
All other non-audit services not included above	5,025	4,900

### 6. Staff costs

Staff costs, including directors' remuneration, were as follows:

	2014 £	2013 £
Wages and salaries	907,125	874,292
Social security costs	86,171	89,763
Other pension costs	21,922	18,718
	1,015,218	982,773



# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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### 6. Staff costs (continued)

The average monthly number of employees, including the directors, during the year was as follows:

	2014 No.	2013 No.
Management	1	1
Administration	17	18
Production	14	14
Sales	7	7
	<u>39</u>	<u>40</u>

### 7. Directors' remuneration

	2014 £	2013 £
Remuneration	<u>45,868</u>	<u>43,924</u>
Company pension contributions to defined contribution pension schemes	<u>1,903</u>	<u>1,020</u>

During the year retirement benefits were accruing to 1 director (2013 - 1) in respect of defined contribution pension schemes.

### 8. Interest payable

	2014 £	2013 £
On bank loans and overdrafts	803	107
On loans from group undertakings	141,322	75,203
Other interest payable	97,031	193,925
	<u>239,156</u>	<u>269,235</u>

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 9. Taxation

	2014 £	2013 £
<b>Analysis of tax charge in the year</b>		
<b>Current tax</b> (see note below)		
UK corporation tax charge on profit for the year	91,702	75,871
Adjustments in respect of prior periods	-	(539)
<b>Total current tax</b>	<u>91,702</u>	<u>75,332</u>
<b>Deferred tax</b> (see note 17)		
Origination and reversal of timing differences	21,140	9,473
<b>Tax on profit on ordinary activities</b>	<u>112,842</u>	<u>84,805</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2013 - lower than) the standard rate of corporation tax in the UK of 23.25% (2013 - 23.25%). The differences are explained below:

	2014 £	2013 £
Profit on ordinary activities before tax	<u>516,872</u>	<u>355,262</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 21.49% (2013 - 23.25%)	111,092	82,586
<b>Effects of:</b>		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,328	22,847
Capital allowances for year in excess of depreciation	(24,395)	(16,817)
Adjustments to tax charge in respect of prior periods	-	(539)
Short term timing difference leading to an increase (decrease) in taxation	1,677	(12,737)
Non-taxable income	-	(8)
<b>Current tax charge for the year</b> (see note above)	<u>91,702</u>	<u>75,332</u>

#### Factors that may affect future tax charges

There were no factors that may affect future tax charges.

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 10. Tangible fixed assets

	Freehold property £	Motor Vehicles, Plant & Machinery £	Computer, Fixtures & Fittings £	Total £
<b>Cost or valuation</b>				
At 1 January 2014	2,381,539	1,685,224	486,376	4,553,139
Additions	17,800	249,709	10,438	277,947
Disposals	-	(136,303)	(74,186)	(210,489)
At 31 December 2014	2,399,339	1,798,630	422,628	4,620,597
<b>Depreciation</b>				
At 1 January 2014	833,241	1,102,912	361,590	2,297,743
Charge for the year	79,017	160,976	36,588	276,581
On disposals	-	(136,303)	(74,186)	(210,489)
At 31 December 2014	912,258	1,127,585	323,992	2,363,835
<b>Net book value</b>				
At 31 December 2014	1,487,081	671,045	98,636	2,256,762
At 31 December 2013	1,548,298	582,312	124,786	2,255,396

### 11. Investment property

	Investment property £
<b>Valuation</b>	
At 1 January 2014 and 31 December 2014	1,850,000
<b>Comprising</b>	
Cost	1,008,772
Annual revaluation surplus/(deficit):	
2009	151,761
2010	40,000
2013	649,467
At 31 December 2014	1,850,000

Investment properties were revalued in 2013 by Chesterton Humberts on the basis of the open market value for existing use. The directors are of the opinion that there has been no change in circumstances at 31 December 2014 for this valuation to no longer be appropriate.

These properties have not been depreciated.

The aggregate rentals received during the year in respect of operating leases and similar agreements were £46,114 (2013: £31,699).

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 12. Fixed asset investments

	Investments in subsidiary companies £	Unlisted investments £	Total £
<b>Cost or valuation</b>			
At 1 January 2014 and 31 December 2014	1	2,762	2,763
<b>Net book value</b>			
At 31 December 2014	1	2,762	2,763
At 31 December 2013	1	2,762	2,763

### Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Class of shares	Holding
Valbruna Ireland Limited	Ordinary	1%

### 13. Stocks

	2014 £	2013 £
Raw materials	14,725,380	15,813,699

### 14. Debtors

	2014 £	2013 £
Trade debtors	5,368,539	5,433,614
Amounts owed by group undertakings	84,121	81,928
Corporation tax recoverable	25,969	-
Other debtors	5,088	4,954
Prepayments and accrued income	53,494	45,968
	5,537,211	5,566,464

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 15. Creditors: Amounts falling due within one year

	2014 £	2013 £
Bank facilities and overdrafts	7,500,000	-
Trade creditors	168,644	245,295
Amounts owed to group undertakings	3,225,676	5,781,209
Corporation tax	-	3,413
Other taxation and social security	594,566	597,062
Other creditors	4,825,092	4,829,594
Accruals and deferred income	94,344	104,720
	<u>16,408,322</u>	<u>11,561,293</u>

The company has an invoice discounting agreement with HSBC Invoice Finance (UK) Limited pursuant to which the company has assigned to HSBC Invoice Finance (UK) Limited all book debts belonging to the company. The invoice discounting facility is secured by way of a fixed charge on non-vesting debts and a floating charge dated 18 April 2012. The amount outstanding under the invoice discounting agreement as at 31 December 2014 was £4,814,728 (2013 - £4,819,100).

The overdraft facility provided by HSBC Bank plc was secured by a debenture dated 2 April 2012 pursuant to which the company has granted fixed and floating charges over all of its property, assets and undertaking.

### 16. Creditors: Amounts falling due after more than one year

	2014 £	2013 £
Other loans	-	6,400,000
Accruals and deferred income	-	986
	<u>-</u>	<u>6,400,986</u>

Indebtedness to Acciaierie Valbruna Spa is secured by way of a debenture dated 29 March 2012 pursuant to which the company has granted fixed and floating charges over all its property, assets and undertaking. The debenture is subject to a deed of priority entered into between HSBC Bank plc, HSBC Invoice Finance (UK) Limited, Acciaierie Valbruna Spa and the company.

### 17. Deferred taxation

	2014 £	2013 £
At beginning of year	131,786	122,313
Charge for year (P&L)	21,140	9,473
	<u>152,926</u>	<u>131,786</u>

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 17. Deferred taxation (continued)

The provision for deferred taxation is made up as follows:

	2014 £	2013 £
Accelerated capital allowances	155,784	133,084
Short term timing differences	(2,858)	(1,298)
	<u>152,926</u>	<u>131,786</u>

### 18. Share capital

	2014 £	2013 £
<b>Authorised</b>		
5,000,000 Ordinary Share shares of £1 each	<u>5,000,000</u>	<u>5,000,000</u>
<b>Allotted, called up and fully paid</b>		
1,500,000 Ordinary Share shares of £1 each	<u>1,500,000</u>	<u>1,500,000</u>

### 19. Reserves

	Revaluation reserve £	Profit and loss account £
At 1 January 2014	959,955	5,042,087
Profit for the year		404,030
	<u>959,955</u>	<u>5,446,117</u>
At 31 December 2014		

### 20. Reconciliation of movement in shareholders' funds

	2014 £	2013 £
Opening shareholders' funds	7,502,042	6,582,118
Profit for the financial year	404,030	270,457
Other recognised gains and losses during the year	-	649,467
	<u>7,906,072</u>	<u>7,502,042</u>
Closing shareholders' funds		

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 21. Net cash flow from operating activities

	2014 £	2013 £
Operating profit	756,028	624,292
Depreciation of tangible fixed assets	276,581	267,517
Profit on disposal of tangible fixed assets	(3,650)	(7,843)
Decrease in stocks	1,088,319	2,340,480
Decrease in debtors	57,415	379,879
Increase in amounts owed by group undertakings	(2,192)	(15,630)
Decrease in creditors	(95,012)	(465,805)
Decrease in amounts owed to group undertakings	(2,555,533)	(4,472,672)
<b>Net cash outflow from operating activities</b>	<b>(478,044)</b>	<b>(1,349,782)</b>

### 22. Analysis of cash flows for headings netted in cash flow statement

	2014 £	2013 £
<b>Returns on investments and servicing of finance</b>		
Interest received	-	205
Interest paid	(239,156)	(269,236)
<b>Net cash outflow from returns on investments and servicing of finance</b>	<b>(239,156)</b>	<b>(269,031)</b>

	2014 £	2013 £
<b>Capital expenditure and financial investment</b>		
Purchase of tangible fixed assets	(277,947)	(145,487)
Sale of tangible fixed assets	3,650	8,068
Purchase of investment properties	-	(158,369)
<b>Net cash outflow from capital expenditure</b>	<b>(274,297)</b>	<b>(295,788)</b>

	2014 £	2013 £
<b>Financing</b>		
New secured loans	7,500,000	-
Repayment of loans	-	(2,498,761)
Other new loans	-	4,800,000
Repayment of other loans	(6,400,000)	-
<b>Net cash inflow from financing</b>	<b>1,100,000</b>	<b>2,301,239</b>

# VALBRUNA UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

### 23. Analysis of changes in net debt

	1 January 2014 £	Cash flow £	Other non-cash changes £	31 December 2014 £
Cash at bank and in hand	107,785	(12,581)	-	95,204
<b>Debt:</b>				
Debts due within one year	-	(7,500,000)	-	(7,500,000)
Debts falling due after more than one year	(6,400,000)	6,400,000	-	-
<b>Net debt</b>	<u>(6,292,215)</u>	<u>(1,112,581)</u>	<u>-</u>	<u>(7,404,796)</u>

### 24. Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £21,922 (2013: £18,718). At 31 December 2014 contributions amounting to nil (2013: nil) were payable to the fund and are included in creditors.

### 25. Operating lease commitments

At 31 December 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
<b>Expiry date:</b>		
Between 2 and 5 years	<u>11,382</u>	<u>11,382</u>

### 26. Related party transactions

The company is entitled to the exemption under FRS 8 not to disclose transactions with related parties.

### 27. Ultimate parent undertaking and controlling party

The ultimate parent company is Acciaierie Valbruna s.p.a a company incorporated in Italy.