

Company Registration No. 00974737 (England and Wales)

FISCHBACH (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

FISCHBACH (UK) LIMITED

COMPANY INFORMATION

Directors	Mr T Langensiepen Mr W Bruening Mr S Riding	(Appointed 16 January 2017)
Secretary	Mrs A M Callaghan	
Company number	00974737	
Registered office	Warrington Road Manor Park Runcorn Cheshire WA7 5NH	
Auditor	Baldwins Audit Services Limited Column House London Road Shrewsbury Shropshire SY2 6NN	
Business address	Warrington Road Manor Park Runcorn Cheshire WA7 5NH	

FISCHBACH (UK) LIMITED

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FISCHBACH (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors present the strategic report for the year ended 31 December 2017.

Fair review of the business

Throughout the year our focus has remained on our customers and to provide them with unrivalled quality, supply & service. The building market remained strong and raw material prices remained relatively stable. Investment in plant & tooling increased our manufacturing capacity, customer response times & efficiencies. As a result sales increased on the previous year resulting in an acceptable bottom line result.

Principal risks and uncertainties

Any movement in oil prices will affect polymer prices and this is always a concern for the future of the business. The main players in the market are increasingly focussing on strategic sourcing which could impact volumes & prices. This could have a bearing on margins. Also, uncertainty regarding Brexit may impact the market & our business going forward.

Key performance indicators

Due to the straightforward nature of the business, the company's directors are of the opinion that analysis using KPI's is not necessary for an understanding of the development, performance or position of the business.

Fischbach (UK) Ltd is a highly efficient manufacturer of plastic cartridge systems. The business employs systems & procedures to monitor our performance and these will continue to be developed for the future. There are also key staff appointments which will improve the way we operate the business.

By order of the board

Mrs A M Callaghan

Secretary

29 June 2018

FISCHBACH (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

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

Principal activities

The principal activity of the company continued to be that of the manufacture and distribution of plastic cylinders and cartridges.

Directors

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

Mr T Langensiepen

Mr W Bruening

Mr S Riding

(Appointed 16 January 2017)

Results and dividends

The results for the year are set out on page 6.

Ordinary dividends were paid amounting to £1,000,000. The directors do not recommend payment of a final dividend.

Financial instruments

Liquidity risk

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable requirements.

Foreign currency risk

The company is exposed to foreign currency risks, and seeks to manage this by monitoring the fluctuation of foreign currency and exchange rates.

Credit risk

Given the significant trading with a relatively small number of major customers, the company has procedures in place to manage these accounts.

Auditor

Baldwins Audit Services Limited were appointed auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

By order of the board

Mrs A M Callaghan

Secretary

29 June 2018

FISCHBACH (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2017

The directors are responsible for preparing the annual 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 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;
- 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.

FISCHBACH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FISCHBACH (UK) LIMITED

Opinion

We have audited the financial statements of Fischbach (UK) Limited (the 'company') for the year ended 31 December 2017 which comprise the Profit And Loss Account, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our 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 the Directors' Report have been prepared in accordance with applicable legal requirements.

FISCHBACH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF FISCHBACH (UK) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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, 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

Dawn Owen BA (Hons) FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services Limited

20 July 2018

Statutory Auditor
Column House
London Road
Shrewsbury
Shropshire
SY2 6NN

FISCHBACH (UK) LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	12,241,673	11,107,264
Cost of sales		(6,040,006)	(5,252,889)
Gross profit		6,201,667	5,854,375
Distribution costs		(486,694)	(459,278)
Administrative expenses		(4,121,422)	(3,808,298)
Operating profit	4	1,593,551	1,586,799
Interest receivable and similar income	7	288	3,554
Interest payable and similar expenses	8	(987)	-
Profit before taxation		1,592,852	1,590,353
Tax on profit	9	(316,454)	(326,115)
Profit for the financial year		1,276,398	1,264,238

The Profit And Loss Account has been prepared on the basis that all operations are continuing operations.

FISCHBACH (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2017

	2017	2016
	£	£
Profit for the year	1,276,398	1,264,238
Other comprehensive income	-	-
Total comprehensive income for the year	<u>1,276,398</u>	<u>1,264,238</u>

FISCHBACH (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Fixed assets					
Tangible assets	11		3,191,091		2,813,348
Current assets					
Stocks	13	586,186		539,909	
Debtors	14	2,907,702		2,828,389	
Cash at bank and in hand		2,027,305		2,076,511	
		<u>5,521,193</u>		<u>5,444,809</u>	
Creditors: amounts falling due within one year	15	<u>(1,410,143)</u>		<u>(1,226,214)</u>	
Net current assets			<u>4,111,050</u>		<u>4,218,595</u>
Total assets less current liabilities			<u>7,302,141</u>		<u>7,031,943</u>
Provisions for liabilities	16		<u>(9,800)</u>		<u>(16,000)</u>
Net assets			<u><u>7,292,341</u></u>		<u><u>7,015,943</u></u>
Capital and reserves					
Called up share capital	19	285,000		285,000	
Share premium account		21,500		21,500	
Profit and loss reserves		6,985,841		6,709,443	
Total equity			<u><u>7,292,341</u></u>		<u><u>7,015,943</u></u>

The financial statements were approved by the board of directors and authorised for issue on 29 June 2018 and are signed on its behalf by:

Mr T Langensiepen
Director

Mr S Riding
Director

Company Registration No. 00974737

FISCHBACH (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2016		285,000	21,500	6,145,205	6,451,705
Year ended 31 December 2016:					
Profit and total comprehensive income for the year		-	-	1,264,238	1,264,238
Dividends	10	-	-	(700,000)	(700,000)
Balance at 31 December 2016		285,000	21,500	6,709,443	7,015,943
Year ended 31 December 2017:					
Profit and total comprehensive income for the year		-	-	1,276,398	1,276,398
Dividends	10	-	-	(1,000,000)	(1,000,000)
Balance at 31 December 2017		285,000	21,500	6,985,841	7,292,341

FISCHBACH (UK) LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
Cash flows from operating activities					
Cash generated from operations	25	2,255,839		1,647,566	
Interest paid		(987)		-	
Income taxes paid		(344,114)		(240,988)	
Net cash inflow from operating activities		1,910,738		1,406,578	
Investing activities					
Purchase of tangible fixed assets		(960,232)		(256,591)	
Proceeds on disposal of tangible fixed assets		-		253	
Interest received		288		3,554	
Net cash used in investing activities		(959,944)		(252,784)	
Financing activities					
Dividends paid		(1,000,000)		(700,000)	
Net cash used in financing activities		(1,000,000)		(700,000)	
Net (decrease)/increase in cash and cash equivalents		(49,206)		453,794	
Cash and cash equivalents at beginning of year		2,076,511		1,622,717	
Cash and cash equivalents at end of year		2,027,305		2,076,511	

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

Company information

Fischbach (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Warrington Road, Manor Park, Runcorn, Cheshire, WA7 5NH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of [XXXXX]. These consolidated financial statements are available from its registered office, [XXXXXX].

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	straight line over 50 years
Plant and equipment	over 6 years
Moulds	over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. 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 which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

1 Accounting policies

(Continued)

1.13 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2017 £	2016 £
Turnover analysed by class of business		
Sale of goods	12,241,673	11,107,264
	<u>12,241,673</u>	<u>11,107,264</u>
	2017 £	2016 £
Other significant revenue		
Interest income	288	3,554
	<u>288</u>	<u>3,554</u>
	2017 £	2016 £
Turnover analysed by geographical market		
United Kingdom	12,023,752	10,845,133
Other European Union	217,921	261,230
Rest of world	-	901
	<u>12,241,673</u>	<u>11,107,264</u>

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

4 Operating profit

	2017 £	2016 £
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	68,475	(17,392)
Fees payable to the company's auditor for the audit of the company's financial statements	8,526	8,526
Depreciation of owned tangible fixed assets	582,489	511,981
(Profit)/loss on disposal of tangible fixed assets	-	156
Cost of stocks recognised as an expense	6,040,006	5,252,889
	<u> </u>	<u> </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £68,475 (2016 - £17,392).

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2017 Number	2016 Number
Production staff	42	41
Directors	1	1
Administrative and sales staff	12	12
	<u> </u>	<u> </u>
	55	54
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	1,858,781	1,739,391
Social security costs	156,623	147,532
Pension costs	9,935	9,492
	<u> </u>	<u> </u>
	2,025,339	1,896,415
	<u> </u>	<u> </u>

6 Directors' remuneration

	2017 £	2016 £
Remuneration for qualifying services	131,317	51,108
Company pension contributions to defined contribution schemes	3,848	3,051
	<u> </u>	<u> </u>
	135,165	54,159
	<u> </u>	<u> </u>

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

6 Directors' remuneration

(Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2016 - 1).

7 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	288	3,554
	<u>288</u>	<u>3,554</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	288	3,554
	<u>288</u>	<u>3,554</u>

8 Interest payable and similar expenses

	2017 £	2016 £
Other finance costs:		
Other interest	987	-
	<u>987</u>	<u>-</u>

9 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	322,654	340,115
	<u>322,654</u>	<u>340,115</u>
Deferred tax		
Origination and reversal of timing differences	(6,200)	(14,000)
	<u>(6,200)</u>	<u>(14,000)</u>
Total tax charge	<u>316,454</u>	<u>326,115</u>

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	1,592,852	1,590,353
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2016: 20.00%)	302,642	318,071
Tax effect of expenses that are not deductible in determining taxable profit	786	157
Change in unrecognised deferred tax assets	8,893	7,887
Effect of change in corporation tax rate	4,133	-
Taxation charge for the year	316,454	326,115

10 Dividends

	2017 £	2016 £
Interim paid	1,000,000	700,000

11 Tangible fixed assets

	Freehold buildings £	Plant and equipment £	Moulds £	Total £
Cost				
At 1 January 2017	2,362,733	5,801,962	2,896,441	11,061,136
Additions	-	457,887	502,345	960,232
At 31 December 2017	2,362,733	6,259,849	3,398,786	12,021,368
Depreciation and impairment				
At 1 January 2017	558,480	4,910,203	2,779,105	8,247,788
Depreciation charged in the year	45,129	311,587	225,773	582,489
At 31 December 2017	603,609	5,221,790	3,004,878	8,830,277
Carrying amount				
At 31 December 2017	1,759,124	1,038,059	393,908	3,191,091
At 31 December 2016	1,804,253	891,759	117,336	2,813,348

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

11 Tangible fixed assets

(Continued)

Included in freehold land and buildings is £598,548 (2016 £598,548) in relation to land which is not depreciated.

	2017 £	2016 £
Freehold	598,548	598,548

12 Financial instruments

	2017 £	2016 £
Carrying amount of financial assets		
Trade debts measured at cost	4,729,997	4,558,865
Carrying amount of financial liabilities		
Trade creditors measured at cost	991,843	1,066,207

Financial assets measured at amortised cost consists of trade debtors, amounts due from fellow group undertakings, and cash at bank.

Financial liabilities measured at amortised cost consists of trade creditors, amounts due to group undertakings, other creditors and accruals.

13 Stocks

	2017 £	2016 £
Raw materials and consumables	263,580	237,740
Finished goods and goods for resale	322,606	302,169
	586,186	539,909

14 Debtors

	2017 £	2016 £
Amounts falling due within one year:		
Trade debtors	2,697,576	2,479,013
Amounts owed by group undertakings	5,116	3,341
Prepayments and accrued income	205,010	346,035
	2,907,702	2,828,389

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

15 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	185,104	98,348
Amounts due to group undertakings	359,551	363,097
Corporation tax	172,654	194,114
Other taxation and social security	469,240	268,274
Accruals and deferred income	223,594	302,381
	<u>1,410,143</u>	<u>1,226,214</u>

16 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	17	<u>9,800</u>	<u>16,000</u>

17 Deferred taxation

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	Liabilities 2017 £	Liabilities 2016 £
Balances:		
Accelerated capital allowances	<u>9,800</u>	<u>16,000</u>
Movements in the year:		2017 £
Liability at 1 January 2017		16,000
Credit to profit or loss		<u>(6,200)</u>
Liability at 31 December 2017		<u>9,800</u>

The deferred tax liability set out above is expected to reverse within 4 years and relates to accelerated capital allowances that are expected to mature within the same period.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

18 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,935	9,492

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

19 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
285,000 Ordinary of £1 each	285,000	285,000
	285,000	285,000

20 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017	2016
	£	£
Between two and five years	22,778	22,677

21 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017	2016
	£	£
Acquisition of tangible fixed assets	157,498	193,592

22 Events after the reporting date

At the Annual General Meeting held on 18th April 2018 it was agreed that a dividend for the 2018 year of £1,400,000 would be paid by 30th April 2018.

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017 £	2016 £
Aggregate compensation	495,101	374,623

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2017 £	2016 £	2017 £	2016 £
Fischbach KG	21,793	20,253	1,436,006	884,536
Fischbach Belgium	98,662	143,475	-	-
Fischbach Iberica	32,442	47,554	77	-

The following amounts were outstanding at the reporting end date:

	2017 £	2016 £
Amounts owed to related parties		
Fischbach KG	359,475	363,097
Fischbach Iberica	75	-

The following amounts were outstanding at the reporting end date:

	2017 Balance £
Amounts owed by related parties	
Fischbach Belgium	4,153
Fischbach Iberica	963

	2016 Balance £
Amounts owed in previous period	
Fischbach Belgium	1,982
Fischbach Iberica	1,359

FISCHBACH (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

24 Controlling party

The company's immediate parent undertaking at the balance sheet date was Fischbach Beteiligungsgesellschaft GmbH, a company incorporated in Germany. The Ultimate holding company of the group is Alfred Fischbach KG, a company incorporated in Germany and controlled by the directors of Fischbach UK Ltd.

25 Cash generated from operations

	2017 £	2016 £
Profit for the year after tax	1,276,398	1,264,238
Adjustments for:		
Taxation charged	316,454	326,115
Finance costs	987	-
Investment income	(288)	(3,554)
(Gain)/loss on disposal of tangible fixed assets	-	156
Depreciation and impairment of tangible fixed assets	582,489	511,981
Movements in working capital:		
(Increase)/decrease in stocks	(46,277)	25,548
(Increase) in debtors	(79,313)	(403,242)
Increase/(decrease) in creditors	205,389	(73,676)
Cash generated from operations	2,255,839	1,647,566

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