

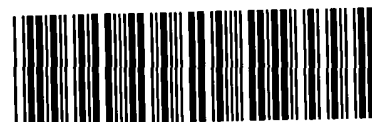
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Company Registration No. 00995387 (England and Wales)

**Presspart Manufacturing Limited**

**Annual report and financial statements  
for the year ended 31 December 2016**

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## **Presspart Manufacturing Limited**

### **Company information**

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<b>Directors</b>	Julian Hemy Peter Schmelzer Hans Neugebauer Antony Cross Christian Kraetzig	(Appointed 1 January 2016) (Appointed 1 January 2016)
<b>Secretary</b>	Dietmar Schmitz	
<b>Company number</b>	00995387	
<b>Registered office</b>	Whitebirk Industrial Estate Blackburn BB1 5RF	
<b>Independent auditors</b>	Saffery Champness 71 Queen Victoria Street London EC4V 4BE	
<b>Bankers</b>	HSBC Bank plc 60 Church Street Blackburn BB1 5AS	

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## **Presspart Manufacturing Limited**

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## **Presspart Manufacturing Limited**

### **Strategic report**

**For the year ended 31 December 2016**

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The directors present their strategic report and financial statements for the year ended 31 December 2016.

#### **Fair review of the business**

Presspart Manufacturing Limited is a wholly owned subsidiary of the Heitkamp & Thumann Group, a global Corporate Group based in Dusseldorf, Germany, founded more than 35 years ago.

Heitkamp & Thumann Group are world leaders in their respective fields who operate two divisions and five business units: Presspart Manufacturing Limited operates within one of the divisions being the Presspart division which manufactures precision components made of metal and plastic for the pharmaceutical industry and the H&T Industrial business unit which provides metal components to other industrial sectors.

Founded more than 46 years ago, Presspart Manufacturing Limited has become the world's leading manufacturer of deep-drawn aluminium and stainless steel cans for pressurized metered dose inhalers. The products are predominantly used for the respiratory drug delivery market and are designed and manufactured to meet the most demanding customer requirements and stringent pharmaceutical regulations and standards.

"H&T Excellence" introduced in 2013 continues to ensure operational excellence in all value adding processes and forms the core of our lean management program. This ensures highest quality and economic efficiency setting the stage for being the leading global partner for the development and supply of world class precision formed metal components now and in future times.

#### **Principal risks and uncertainties**

Competitive global pressure, uncertainty surrounding the UK exiting the European Union, along with weak pound sterling to euro and us dollar exchange rates are a continuing risk for the company, which could result in it losing sales to its key competitors. The company manages this risk by providing high quality products to its customers, having fast response times in supplying products, underpinned by long to medium term contracts with customers.

The fluctuations in raw material market prices and scrap prices are a continuing high ranking risk to the business. Continued global trends such as volatile euro to sterling rates intensify this risk as the majority of raw material purchases come from continental european suppliers. The company continues to try to minimise this risk by entering into long term supplier contracts with partial price hedging.

## **Presspart Manufacturing Limited**

### **Strategic report (continued)**

**For the year ended 31 December 2016**

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#### **Key performance indicators**

As shown in the company's income statement on page 9, total company sales have remained in line with 2015 due to change in sales mix.

Total gross operating margin has improved year on year by 4.6% 2016 – 33.8% vs 2015 – 29.2% this is mainly due to investment in new equipment with leaner processes and sales mix.

Average Working Capital KPI: actual 2016 13.6% and 1.2% better than 2016 target.

Trade debtors of Presspart Manufacturing Limited at 31 December 2016 were equivalent to 38 days (2015 - 41 days).

Inventory days of Presspart Manufacturing Limited at 31 December 2016 were 22 days (2015 - 20 days).

The cash balance of Presspart Manufacturing Limited at the yearend was (£1.108m – positive), (2015 - £0.985m positive), increase of £0.123m.

On behalf of the board

  
.....  
Christian Kraetzig  
Director  
16/02/17  
.....

## **Presspart Manufacturing Limited**

### **Directors' report**

**For the year ended 31 December 2016**

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The directors present their annual report and financial statements for the year ended 31 December 2016.

#### **Principal activities**

Presspart Manufacturing Limited is a wholly owned subsidiary of the Heitkamp & Thumann Group, a global Corporate Group based in Dusseldorf, Germany, founded more than 35 years ago.

Presspart Manufacturing Limited operates within one of the divisions being the Presspart division which manufactures precision components made of metal and plastic for the pharmaceutical industry and the H&T Industrial business unit which provides metal components to other industrial sectors.

As permitted by Paragraph 1A of Schedule 7 to the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 certain matters which are required to be disclosed in the directors' report have been omitted as they are included in the strategic report on pages 1 to 2. These matters relate to dividends declared during the year and future developments of the business.

#### **Directors**

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

Julian Hemy	
Dietmar Schmitz	(Resigned 31 October 2016)
Peter Schmelzer	
Hans Neugebauer	
Antony Cross	(Appointed 1 January 2016)
Christian Kraetzig	(Appointed 1 January 2016)

#### **Results and dividends**

The results for the year are set out on page 9.

A dividend of £1m (2015 - £1m) was paid during the year.

#### **Financial instruments**

##### **Credit risk**

Presspart Manufacturing Limited has a credit control policy where appropriate credit checks are made on potential customers and suppliers before any transactions occur. For existing customers, the company closely monitors their continued creditability via an external rating agency. A monthly reporting structure is established to make directors aware of any changes to credit risks.

## **Presspart Manufacturing Limited**

### **Directors' report (continued)**

**For the year ended 31 December 2016**

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#### ***Health, Safety and the Environment***

Presspart Manufacturing Limited is engaged in the manufacture of deep drawn metal pressings for a range of different industries. We recognise our responsibility in supplying products to our customers whilst striving to provide quality excellence, and endeavouring to minimise the impact on the environment. In pursuit of environmental excellence, we operate an Environmental Management System in compliance with the ISO 14001:2004 standard. Through this system we establish and review objectives, targets and improvement programmes in line with our significant environmental aspects.

Significant investment continues to be made in Health, Safety and Environmental projects, where particular attention has been given to developing strategies for sustainability and in particular improving energy efficiency.

#### **Future developments**

Presspart Manufacturing Limited remains dedicated to its core business in the Pharmaceutical and Industrial sector. In 2017 it will continue making significant progress within its Pharmaceutical and Industrial strategies focusing on value added elements to its core Pharmaceutical business including end of life product indicators and the treatment of internal surfaces of mdi cans through its revolutionary plasma treatment process.

In 2016 Presspart Manufacturing Limited completed a major building project which incorporates a state of the art Inhalation Production Technology Centre and Quality Laboratory.

The existing office building has been fully replaced, allowing for future expansion of the business by increasing production space which will give opportunity to optimize production flow in accordance with our strategic growth plan. A further phase of expansion in the manufacturing facility will commence in 2017.

Presspart continues to demonstrate its commitment to Innovation with its Inhalation Product Technology Centre (IPTC) based in Blackburn. Start-up commenced in 2013 and during 2016 further expansion was made to the research and laboratory facility. The main function of IPTC is to develop the strategic projects of Presspart and its customers. This includes extensive product and process development and regulatory support.

#### **Auditor**

Saffery Champness have expressed their willingness to continue in office.

#### **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.

**Presspart Manufacturing Limited**

**Directors' report (continued)**

**For the year ended 31 December 2016**

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**Employment Policies**

Details of employees and related costs can be found in note 7 to the financial statements on page 23.

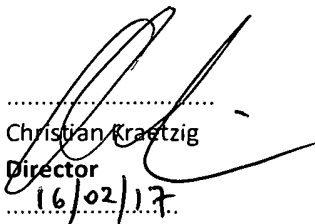
The workforce is one of the major success factors of the company which is why Presspart launched a Health Management System for its employees and continues with its Cycle to Work Scheme.

Presspart Manufacturing Limited is committed to ensuring equal opportunities for all current and potential members of the company. It is committed to the promotion of standards of personal conduct based on respect for and the dignity of individuals.

It is the company's policy to provide a working environment free from discrimination. All employees of Presspart are expected to support and contribute to the maintenance of this policy.

Employees are also developed through a variety of training courses that supports the continuous optimisation of internal know-how within Presspart including H&T Excellence lean activities along with internal and external skills and learning courses.

On behalf of the board

  
.....  
Christian Kraetzig  
Director  
16/02/17  
.....



## **Presspart Manufacturing Limited**

### **Directors' responsibilities statement For the year ended 31 December 2016**

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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;
- 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.

## **Presspart Manufacturing Limited**

### **Independent auditors' report**

#### **To the members of Presspart Manufacturing Limited**

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We have audited the financial statements of Presspart Manufacturing Limited for the year ended 31 December 2016 set out on pages 9 to 39. 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), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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.

#### **Respective responsibilities of directors and auditor**

As explained more fully in the Director's Responsibilities Statement set out on page 6, 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.

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

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of 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.

**Presspart Manufacturing Limited**

**Independent auditors' report (continued)**

**To the members of Presspart Manufacturing Limited**

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**Opinion 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.

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 any material misstatements in the Strategic Report and the Directors' Report.

**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.



**Lorenzo Mosca (Senior Statutory Auditor)**  
**for and on behalf of Saffery Champness**

**Chartered Accountants**  
**Statutory Auditors**

21 February 2017

71 Queen Victoria Street  
London  
EC4V 4BE

**Presspart Manufacturing Limited**

**Income statement**

**For the year ended 31 December 2016**

		<b>2016</b>	<b>2015</b>
	<b>Notes</b>	<b>£000</b>	<b>£000</b>
<b>Turnover</b>	<b>3</b>	28,218	28,230
Cost of sales		(18,693)	(19,995)
<b>Gross profit</b>		9,525	8,235
Distribution costs		(3,042)	(2,381)
Administrative expenses		(2,851)	(2,455)
Other operating income		35	-
<b>Operating profit</b>	<b>4</b>	3,667	3,399
Interest receivable and similar income	<b>8</b>	231	1
Interest payable and similar expenses	<b>9</b>	(384)	(336)
<b>Profit before taxation</b>		3,514	3,064
Taxation	<b>10</b>	(575)	(581)
<b>Profit for the financial year</b>		2,939	2,483

The income statement has been prepared on the basis that all operations are continuing operations.

**Presspart Manufacturing Limited**

**Statement of comprehensive income  
For the year ended 31 December 2016**

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	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Profit for the year</b>	<b>2,939</b>	<b>2,483</b>
	<u>          </u>	<u>          </u>
<b>Other comprehensive income</b>		
Actuarial (loss)/gain on defined benefit pension schemes	(2,527)	592
Tax relating to other comprehensive income	451	(203)
	<u>          </u>	<u>          </u>
<b>Other comprehensive income for the year</b>	<b>(2,076)</b>	<b>389</b>
	<u>          </u>	<u>          </u>
<b>Total comprehensive income for the year</b>	<b>863</b>	<b>2,872</b>
	<u>          </u>	<u>          </u>

**Presspart Manufacturing Limited**

**Statement of financial position  
As at 31 December 2016**

	Notes	£000	2016 £000	£000	2015 £000
<b>Fixed assets</b>					
Intangible assets	12		600		625
Tangible assets	13		15,103		12,752
			<u>15,703</u>		<u>13,377</u>
<b>Current assets</b>					
Stocks	15	1,668		1,521	
Debtors	16	3,864		3,906	
Cash at bank and in hand		1,108		985	
		<u>6,640</u>		<u>6,412</u>	
<b>Creditors: amounts falling due within one year</b>	17	(6,959)		(5,888)	
<b>Net current (liabilities)/assets</b>			<u>(319)</u>		<u>524</u>
<b>Total assets less current liabilities</b>			<u>15,384</u>		<u>13,901</u>
<b>Creditors: amounts falling due after more than one year</b>	18		(1,386)		(1,793)
<b>Provisions for liabilities</b>	20		(7,851)		(5,824)
<b>Net assets</b>			<u><u>6,147</u></u>		<u><u>6,284</u></u>
<b>Capital and reserves</b>					
Called up share capital	23		25		25
Profit and loss reserves			6,122		6,259
<b>Total equity</b>			<u><u>6,147</u></u>		<u><u>6,284</u></u>

The financial statements were approved by the board of directors and authorised for issue on 16/02/17 and are signed on its behalf by:



Antony Cross  
Director



Christian Kraetzig  
Director

**Company Registration No. 00995387**

**Presspart Manufacturing Limited**

**Statement of changes in equity**

**For the year ended 31 December 2016**

		Share capital	Profit and loss reserves	Total
	Notes	£000	£000	£000
<b>Balance at 1 January 2015</b>		25	4,387	4,412
<b>Year ended 31 December 2015:</b>				
Profit for the year		-	2,483	2,483
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	592	592
Tax relating to other comprehensive income		-	(203)	(203)
Total comprehensive income for the year		-	2,872	2,872
Dividends	11	-	(1,000)	(1,000)
<b>Balance at 31 December 2015</b>		25	6,259	6,284
<b>Year ended 31 December 2016:</b>				
Profit for the year		-	2,939	2,939
Other comprehensive income:				
Actuarial losses on defined benefit plans		-	(2,527)	(2,527)
Tax relating to other comprehensive income		-	451	451
Total comprehensive income for the year		-	863	863
Dividends	11	-	(1,000)	(1,000)
<b>Balance at 31 December 2016</b>		25	6,122	6,147

**Presspart Manufacturing Limited**

**Statement of cash flows**

**For the year ended 31 December 2016**

			2016		2015
	Notes	£000	£000	£000	£000
<b>Cash flows from operating activities</b>					
Cash generated from operations	29		4,538		6,408
Interest paid			(384)		(336)
Income taxes paid			(584)		(698)
<b>Net cash inflow from operating activities</b>			<u>3,570</u>		<u>5,374</u>
<b>Investing activities</b>					
Purchase of intangible assets		(132)		(205)	
Purchase of tangible fixed assets		(4,134)		(5,047)	
Proceeds on disposal of tangible fixed assets		5		-	
Investment income		231		1	
<b>Net cash used in investing activities</b>			<u>(4,030)</u>		<u>(5,251)</u>
<b>Financing activities</b>					
Repayment of bank loans		(162)		-	
Proceeds of bank loans		-		1,039	
Loan from group company		1,877		1,882	
Repayment of loan to group company		-		(999)	
Purchase of derivatives		(231)		-	
Dividends paid		(1,000)		(1,000)	
<b>Net cash generated from financing activities</b>			<u>484</u>		<u>922</u>
<b>Net increase in cash and cash equivalents</b>			<u>24</u>		<u>1,045</u>
Cash and cash equivalents at beginning of year			985		(60)
<b>Cash and cash equivalents at end of year</b>			<u><u>1,009</u></u>		<u><u>985</u></u>
<b>Relating to:</b>					
Bank balances and short term deposits			1,108		985
Bank overdrafts			(99)		-



## **Presspart Manufacturing Limited**

### **Notes to the financial statements**

**For the year ended 31 December 2016**

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#### **1 Accounting policies**

##### **Company information**

Presspart Manufacturing Limited is a company limited by shares domiciled and incorporated in England and Wales. The registered office is Whitebirk Industrial Estate, Blackburn, BB1 5RF.

##### **1.1 Accounting convention**

The financial statements are prepared under the historical cost convention.

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 £000.

The principal accounting policies adopted are set out below.

##### **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 measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts, VAT and other sales related taxes.

Turnover is recognised on despatch as this is when the risks and rewards transfer to the customer. Tooling turnover is recognised when the final stage payment is approved by the customer.

##### **1.4 Intangible fixed assets other than goodwill**

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date if the fair value can be measured reliably.

Amortisation 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:

Licences and Patents	5 - 10 years
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Notes to the financial statements (continued)  
For the year ended 31 December 2016

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**1 Accounting policies (continued)**

**1.5 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:

Land and buildings Freehold	10 - 40 years
Assets under construction	Not depreciated
Plant and machinery	3 - 20 years
Fixtures, fittings & equipment	3 - 10 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.

**1.6 Impairment of fixed assets**

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

**1.7 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.

**1.8 Cash and cash equivalents**

Cash and cash equivalents 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 Accounting policies (continued)**

**1.9 Financial assets**

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 statement of financial position 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.

***Loans and receivables***

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

***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.

**1 Accounting policies (continued)**

**1.10 Financial liabilities**

Basic financial liabilities, including trade and other 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. Accounts payable are classified as 'creditors: amounts falling due within one year' if payment is due within one year or less. If not, they are presented as 'creditors: amounts falling due after more than one year'. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

***Other financial liabilities***

Other financial liabilities, including debt instruments that do not meet the definition of a basic financial instrument, are measured at fair value through profit or loss.

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 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.

***Derecognition of financial liabilities***

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

**1.11 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 Accounting policies (continued)**

**1.12 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

**1.13 Taxation**

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

***Current tax***

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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 Accounting policies (continued)**

**1.14 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.

**1.15 Retirement benefits**

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

For the defined benefit section the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other financial costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit section is funded, with the assets held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

**1 Accounting policies (continued)**

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

The defined net benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

**1.16 Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

**1.17 Foreign exchange**

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the transaction date. Assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

**1.18 Research and development**

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

## 2 Critical accounting 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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical Judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

### Provisions

Provision is made for bad and doubtful debts and obsolete stock. These provisions require management's best estimate of the recoverability of trade debtors and the expected future use of stock.

### Defined benefit pension scheme

The company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and the current trends.

## 3 Turnover

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

	2016	2015
	£000	£000
<b>Turnover</b>		
Sale of goods	28,218	28,230
	<u>          </u>	<u>          </u>
 <b>Other significant revenue</b>		
Interest income	231	1
	<u>          </u>	<u>          </u>



**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2016**

**3 Turnover (continued)**

**Turnover analysed by geographical market**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	2,148	2,926
Rest of Europe	15,844	14,132
The Americas	4,114	3,393
Other	6,112	7,779
	<u>28,218</u>	<u>28,230</u>

**4 Operating profit**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	26	51
Depreciation of owned tangible fixed assets	1,761	1,383
Loss on disposal of tangible fixed assets	17	177
Amortisation of intangible assets	157	133
Cost of stocks recognised as an expense	15,108	13,755
Operating lease charges	152	124
	<u>17,221</u>	<u>15,623</u>

**5 Auditors' remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the company's financial statements	<u>18</u>	<u>19</u>
<b>For other services</b>		
Taxation compliance services	5	4
All other non-audit services	<u>14</u>	<u>21</u>
	<u>19</u>	<u>25</u>
<b>For services in respect of associated pension schemes</b>		
Audit-related assurance services	<u>4</u>	<u>4</u>

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**6 Directors' remuneration**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Remuneration for qualifying services	359	510
Company pension contributions to defined contribution schemes	31	28
	<u>390</u>	<u>538</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	<u>178</u>	<u>233</u>
--------------------------------------	------------	------------

**7 Employees**

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

	<b>2016</b>	<b>2015</b>
	<b>Number</b>	<b>Number</b>
Total	126	120
Sales and distribution	13	12
Administration	13	12
	<u>152</u>	<u>144</u>

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2016**

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**7 Employees (continued)**

Their aggregate remuneration comprised:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	4,892	4,847
Social security costs	417	407
Pension costs	436	451
	<u>5,745</u>	<u>5,705</u>

There were no redundancy payments during the year (2015: £nil).

**8 Interest receivable and similar income**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Interest income</b>		
Interest on bank deposits	-	1
<b>Other income from investments</b>		
Gains on financial instruments measured at fair value through profit or loss	231	-
	<u>231</u>	<u>1</u>

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	-	1
Interest on financial assets measured at fair value through profit or loss	231	-
	<u>231</u>	<u>1</u>

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2016**

**9 Interest payable and similar expenses**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest payable to group undertakings	93	36
Other interest on financial liabilities	34	28
	<u>127</u>	<u>64</u>
<b>Other finance costs:</b>		
Interest on the net defined benefit liability	257	272
	<u>384</u>	<u>336</u>

**10 Taxation**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	688	566
Adjustments in respect of prior periods	(218)	(43)
Total current tax	<u>470</u>	<u>523</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	13	81
Adjustment in respect of prior periods	92	(23)
Total deferred tax	<u>105</u>	<u>58</u>
Total tax charge	<u>575</u>	<u>581</u>

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**10 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:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Profit before taxation	3,514	3,064
	<u>          </u>	<u>          </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.00%)	703	613
Tax effect of expenses that are not deductible in determining taxable profit	6	51
Tax effect of income not taxable in determining taxable profit	-	(20)
Adjustments in respect of prior years	(133)	(66)
Effect of change in corporation tax rate	(1)	3
	<u>          </u>	<u>          </u>
Taxation for the year	575	581
	<u>          </u>	<u>          </u>

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	(451)	203
	<u>          </u>	<u>          </u>

The standard rate of tax applied to reported profit on ordinary activities is 20% (2015 20%). The applicable tax rate has changed following substantive enactment of the Finance Act 2015. During the year beginning 1 January 2017 the net reversal of deferred tax assets and liabilities is expected to increase the corporation tax charge for the year by £133k. This is due to the reversal of accelerated capital allowances. There is no expiry date on timing differences, unused tax losses or tax credits.

**11 Dividends**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Interim paid	1,000	1,000
	<u>          </u>	<u>          </u>

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**12 Intangible fixed assets**

	<b>Licences and Patents</b>
	<b>£000</b>
<b>Cost</b>	
At 1 January 2016	1,105
Additions - separately acquired	132
	<hr/>
At 31 December 2016	1,237
	<hr/>
<b>Amortisation and impairment</b>	
At 1 January 2016	480
Amortisation charged for the year	157
	<hr/>
At 31 December 2016	637
	<hr/>
<b>Carrying amount</b>	
At 31 December 2016	600
	<hr/>
At 31 December 2015	625
	<hr/>

Included within intangible fixed assets are patents with a total net book value of £143,000 and remaining useful lives of 1 - 5 years, licenses with a total net book value of £299,000 and remaining useful lives of 0 - 5 years and other with a total net book value of £158,000 and remaining useful lives of 3 - 5 years .

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**13 Tangible fixed assets**

	Land and buildings Freehold	Assets under construction	Fixtures, fittings & equipment	Plant and machinery	Total
	£000	£000	£000	£000	£000
<b>Cost</b>					
At 1 January 2016	3,264	2,461	5,907	16,799	28,431
Additions	947	577	1,251	1,359	4,134
Disposals	(7)	-	(28)	(826)	(861)
Transfers from assets under construction	317	(2,332)	184	1,831	-
At 31 December 2016	4,521	706	7,314	19,163	31,704
<b>Accumulated depreciation and impairment</b>					
At 1 January 2016	948	-	3,445	11,286	15,679
Charge for the year	120	-	378	1,263	1,761
Eliminated on disposal	(5)	-	(25)	(809)	(839)
At 31 December 2016	1,063	-	3,798	11,740	16,601
<b>Carrying amount</b>					
At 31 December 2016	3,458	706	3,516	7,423	15,103
At 31 December 2015	2,316	2,461	2,462	5,513	12,752

Freehold land amounting to £400,000 (2015: £400,000) has not been depreciated.

**14 Financial instruments**

	2016 £000	2015 £000
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	4,095	4,225
Instruments measured at fair value through profit or loss	231	-
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	9,495	7,285

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**15 Stocks**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Raw materials and consumables	638	702
Finished goods and goods for resale	1,030	819
	<u>1,668</u>	<u>1,521</u>

**16 Debtors**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>		
Trade debtors	2,879	3,041
Amounts due from fellow group undertakings	33	-
Other debtors	399	582
Prepayments and accrued income	322	283
	<u>3,633</u>	<u>3,906</u>
<b>Amounts falling due after more than one year:</b>		
Derivative financial instruments	231	-
	<u>231</u>	<u>-</u>
<b>Total debtors</b>	<u><u>3,864</u></u>	<u><u>3,906</u></u>

Trade debtors disclosed above are measured at amortised cost.



**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2016**

**17 Creditors: amounts falling due within one year**

	<b>Notes</b>	<b>2016 £000</b>	<b>2015 £000</b>
Bank loans and overdrafts	<b>19</b>	793	449
Trade creditors		687	1,768
Amounts due to parent undertaking		-	3
Amounts due to group undertakings		3,759	1,882
Corporation tax		126	239
Other taxation and social security		159	157
Accruals and deferred income		1,435	1,390
		<u>6,959</u>	<u>5,888</u>

**18 Creditors: amounts falling due after more than one year**

	<b>Notes</b>	<b>2016 £000</b>	<b>2015 £000</b>
Bank loans and overdrafts	<b>19</b>	1,386	1,793
		<u>1,386</u>	<u>1,793</u>

**19 Loans and overdrafts**

	<b>2016 £000</b>	<b>2015 £000</b>
Bank loans	2,080	2,242
Bank overdrafts	99	-
	<u>2,179</u>	<u>2,242</u>
Payable within one year	793	449
Payable after one year	1,386	1,793
	<u>1,386</u>	<u>1,793</u>

The long-term loans are secured by a way of cross guarantee from Heitkamp and Thumann KG.

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**20 Provisions for liabilities**

	<b>Notes</b>	<b>2016 £000</b>	<b>2015 £000</b>
Deferred tax liabilities	<b>21</b>	685	581
Retirement benefit obligations	<b>22</b>	7,166	5,243
		<u>7,851</u>	<u>5,824</u>

**21 Deferred taxation**

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	<b>Liabilities 2016 £000</b>	<b>Liabilities 2015 £000</b>
<b>Balances:</b>		
ACAs	696	593
Other timing differences	(11)	(12)
	<u>685</u>	<u>581</u>
<b>Movements in the year:</b>		<b>2016 £000</b>
Liability at 1 January 2016		581
Charge to profit or loss		104
Liability at 31 December 2016		<u>685</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

**22 Retirement benefit schemes**

**Defined contribution schemes**

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.

The charge to profit and loss in respect of defined contribution schemes was £436,000 (2015: £451,000)

## 22 Retirement benefit schemes (continued)

### Defined benefit schemes

The group operates a funded defined benefit scheme arrangement. The assets are held independently of the group in trustee administered funds. The defined benefit section was frozen on 1 October 2001 and subsequent contributions were made to a defined contribution scheme, the assets of which are held independently of the group in trustee administered funds.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 5 April 2014 using a market based approach. That valuation has been updated to 31 December 2016 by the independent actuaries.

#### Key assumptions

	2016	2015
	%	%
Discount rate	3.1	4.1
Expected rate of increase of pensions in payment	3.0	2.6
	<u>      </u>	<u>      </u>

#### Mortality assumptions

Assumed life expectations on retirement at age 65:

	2016	2015
	Years	Years
Retiring today		
- Males	22.3	22.2
- Females	24.6	24.5
	<u>      </u>	<u>      </u>
Retiring in 20 years		
- Males	21.0	21.0
- Females	23.1	23.1
	<u>      </u>	<u>      </u>

Amounts recognised in the income statement

	2016	2015
	£000	£000
Net interest on defined benefit liability/(asset)	257	272
Other costs and income	56	78
	<u>      </u>	<u>      </u>
Total costs	313	350
	<u>      </u>	<u>      </u>

Of the total expenses for the year £410,000 is included in cost of sales and £257,000 in finance costs.

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**22 Retirement benefit schemes (continued)**

Amounts taken to other comprehensive income

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Actual return on scheme assets	(2,186)	(223)
Less: calculated interest element	609	586
	<hr/>	<hr/>
Return on scheme assets excluding interest income	(1,577)	363
Actuarial changes related to obligations	4,104	(955)
	<hr/>	<hr/>

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Present value of defined benefit obligations	25,643	21,571
Fair value of plan assets	(16,796)	(15,098)
	<hr/>	<hr/>
Deficit in scheme	8,847	6,473
Deferred taxation balance relating to pension schemes	(1,681)	(1,230)
	<hr/>	<hr/>
Total liability recognised	7,166	5,243
	<hr/>	<hr/>

Movements in the present value of defined benefit obligations

	<b>2016</b>
	<b>£000</b>
Liabilities at 1 January 2016	21,571
Benefits paid	(898)
Actuarial gains and losses	4,104
Interest cost	866
	<hr/>
At 31 December 2016	25,643
	<hr/>

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**22 Retirement benefit schemes (continued)**

The defined benefit obligations arise from plans funded as follows:

	<b>2016</b>
	<b>£000</b>
Wholly unfunded obligations	-
Wholly or partly funded obligations	25,643
	<u>25,643</u>

Movements in the fair value of plan assets

	<b>2016</b>
	<b>£000</b>
Fair value of assets at 1 January 2016	15,098
Interest income	609
Return on plan assets (excluding amounts included in net interest)	1,577
Benefits paid	(898)
Contributions by the employer	466
Other	(56)
	<u>16,796</u>

The actual return on plan assets was £2,186,000 (2015: £363,000).

Fair value of plan assets at the reporting period end

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Equity instruments	6,886	6,039
Corporate bonds	5,543	5,586
Government bonds	3,023	2,718
Cash	168	151
Other assets (property and hedge funds)	1,176	604
	<u>16,796</u>	<u>15,098</u>

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

**23 Share capital**

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
<b>Ordinary share capital</b>		
<b>Authorised</b>		
25,000 Ordinary shares of £1 each	25	25
	<u>          </u>	<u>          </u>
<b>Issued and fully paid</b>		
25,000 Ordinary shares of £1 each	25	25
	<u>          </u>	<u>          </u>

The company has one class of ordinary shares which carry no right to fixed income.

**24 Financial commitments, guarantees and contingent liabilities**

A contingent liability exists in that the Trustees of the Presspart Manufacturing Retirement Benefit Scheme have the right to request a one-off payment into the scheme. The amount of any claim is not yet determined, however the directors estimate that a claim, if made, would not be more than £173,000.

**25 Operating lease commitments**

**Lessee**

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:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Within one year	128	122
Between two and five years	133	192
	<u>          </u>	<u>          </u>
	261	314
	<u>          </u>	<u>          </u>

**26 Capital commitments**

Amounts contracted for but not provided in the financial statements:

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Acquisition of property, plant and equipment	314	2,491
	<u>          </u>	<u>          </u>

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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**27 Related party transactions**

**Remuneration of key management personnel**

The remuneration of key management personnel, who are also directors, is as follows.

	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Aggregate compensation	<u>330</u>	<u>538</u>

No guarantees have been given or received.

## **Presspart Manufacturing Limited**

### **Notes to the financial statements (continued) For the year ended 31 December 2016**

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#### **27 Related party transactions (continued)**

The company undertakes transactions with a number of companies in the Heitkamp and Thumann Group during the normal course of business.

During the year recharges of £555,064 (2015 - £461,325) were made by Heitkamp and Thumann GmbH and Co. KG to Presspart Manufacturing Limited. During the year, recharges were also made from Presspart Manufacturing Limited to Heitkamp and Thumann GmbH and Co. KG of £5,818 (2015 - £244,824). At the year end £22,914 (2015 - £1,881,623) was due from Heitkamp and Thumann GmbH and Co. KG

During the year a loan of £3,602,985 (2015 - £1,874,780) was made by Heitkamp and Thumann GmbH and Co KG (which was assigned from Heitkamp and Thumann Finance BV in the prior year) to Presspart Manufacturing Limited, which was outstanding at the year end. Interest of £92,926 (2015 - £6,843) (at 3.267%) was charged on this loan during the year and £15,896 (2015 - £6,843) was outstanding at the year end. During the year a loan of £98,245 (2015 - £nil) was made by Heitkamp and Thumann Finance BV to Presspart Manufacturing limited, which was outstanding at the year end. Recharges of £3,750 (2015 - £885) were made from Heitkamp and Thumann Finance BV of which £525 (2015 - £nil) is outstanding at the year end. Interest of £436 (2015 - £28,935) was also paid to Heitkamp and Thumann Finance BV in respect of the company's cashpool balance.

During the year recharges of £nil (2015 - £100) were made by H&T Marsberg GmbH & Co. KG to Presspart Manufacturing Limited. During the year there was also fixed asset purchases of £nil (2015 - £25,749) from H&T Marsberg GmbH & Co. KG.

During the year recharges of £490,585 (2015 - £27,587) were made by H&T Tool Design GmbH & Co. KG to Presspart Manufacturing Limited and Presspart Manufacturing Limited purchased £157,794 (2015 - £38,883) of capital items from the company. During the year, tooling sales of £7,563 (2015 - £31,571) were made to H&T Tool Design GmbH & Co. KG and other recharges of £4,653 (2015 - £nil) were made to H&T Tool Design GmbH & Co. KG . At the year end £190 (2015 - £2,093) was outstanding at the year end due to H&T Tool Design GmbH & Co. KG.

During the year Presspart Manufacturing Limited made recharges of £1,157,828 (2015 - £798,916) to Presspart GmbH & Co. KG, and recharges of £1,076,441 (2015 - £728,043) were made by Presspart GmbH & Co. KG to Presspart Manufacturing Limited. Presspart Manufacturing Limited purchased £158,101 (2015 - £78,137) of capital items from Presspart GmbH & Co KG. At the year end Presspart GmbH & Co. KG owed £nil (2015- £9,672) to Presspart Manufacturing Limited for global charges.

During the year recharges of £325,722 (2015 - £255,852) were made by H&T Waterbury to Presspart Manufacturing Limited. During the year, recharges were also made from Presspart Manufacturing Limited to H&T Waterbury of £1,725 (2015 - £2,575).

During the year Presspart Manufacturing Limited made recharges of £733,989 (2015 - £599,127) to Presspart Manufacturing S.A and Presspart Manufacturing S.A made recharges of £124,131 (2015 - £63,178) to Presspart Manufacturing Limited. At the year end Presspart Manufacturing S.A owed £nil (2015 - £6,729) for global charges.

During the year Presspart Manufacturing made recharges of £194,283 (2015 - £113,245) to H & T Nevada LLC. At the year end H & T Nevada LLC owed £1,518 (2015 - £107) to Presspart Manufacturing Limited for global charges.



## **Presspart Manufacturing Limited**

### **Notes to the financial statements (continued)**

**For the year ended 31 December 2016**

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#### **27 Related party transactions (continued)**

During the year Dongguan Heitkamp and Thumann Metal Products Limited recharged expenses of £110,196 (2015 - £95,134) to Presspart Manufacturing Limited.

During the year recharges of £nil (2015 - £2,558) were made by Presspart Manufacturing Limited to Westfalia Presstechnik GmbH & Co. KG.

During the year Westfalia Metal s.r.o recharged expenses of £2,751 (2015 - £nil) to Presspart Manufacturing Limited.

During the year H & T Presspart Latin America S.A. recharged expenses of £222,959 (2015 - £nil) to Presspart Manufacturing Limited. At the year end Presspart Manufacturing Limited owed H & T Presspart Latin America SA £40,718 (2015 - £nil) in respect of global charges.

During the year recharges of £145,257 (2015 - £62,198) were made by Presspart Andheri India Pvt Ltd (formerly Westfalia Metal Components India Pte. Ltd) to Presspart Manufacturing Limited. Presspart Manufacturing Limited also recharged £4,728 to Presspart Andheri India Pvt Ltd in the year.

During the year recharges were made by Presspart Manufacturing Limited to Doby Cleats Limited of £3,897 (2015 - £3,360). At the year end Doby Cleats Limited owed Presspart Manufacturing Limited £1,311 (2015 - £nil) in respect of global charges.

During the year recharges of £10,265 (2015 - £13,159) were made to Doby Verrolec Dubai. At the year end Doby Verrolec Dubai owed £4,240 (2015 - £nil) to Presspart Manufacturing Limited for global charges.

#### **28 Controlling party**

The ultimate parent company is Heitkamp and Thumann KG, a company based in Germany. This is also the ultimate controlling party of the company.

**Presspart Manufacturing Limited**

**Notes to the financial statements (continued)**  
**For the year ended 31 December 2016**

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<b>29 Cash generated from operations</b>	<b>2016</b>	<b>2015</b>
	<b>£000</b>	<b>£000</b>
Profit for the year	2,939	2,483
<b>Adjustments for:</b>		
Income tax expense recognised in profit or loss	575	581
Finance costs recognised in profit or loss	384	336
Investment income recognised in profit or loss	(231)	(1)
Loss on disposal of tangible fixed assets	17	177
Amortisation and impairment of intangible assets	157	133
Depreciation and impairment of tangible fixed assets	1,761	1,383
Pension scheme non-cash movement	(153)	(102)
<b>Movements in working capital:</b>		
(Increase)/decrease in stocks	(147)	357
Decrease in debtors	257	619
(Decrease)/increase in creditors	(1,021)	442
<b>Cash generated from operations</b>	<b>4,538</b>	<b>6,408</b>

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