

KHS UK Limited

Report and financial statements

Year Ended

31 December 2016

Company Number 1131717



KHS UK Limited

Report and financial statements for the year ended 31 December 2016

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Country of incorporation of ultimate parent company

Germany

Legal form

Limited Company

Principal place of business

United Kingdom

Directors

V Borngraeber
A D MacEwan

Registered office

Unit 6 Monkspath Business Park, Highlands Road, Shirley, Solihull, West Midlands, B90 4NY

Company number

1131717

Auditors

BDO LLP, Two Snowhill, Birmingham, B4 6GA

KHS UK Limited

Report of the directors for the year ended 31 December 2016

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

Principal activity

The company's principal activity is the selling and servicing of machinery and spares for the beverage and food industries.

Results and dividends

The profit for the year, after taxation, amounted to £54,748 (2015 - profit £223,856).

Dividends paid in the year amount to £nil (2015 - £250,000).

Directors

The directors of the company throughout the year were:

H Rath (resigned 9 September 2016)
V Borngraeber
A D MacEwan (appointed 9 September 2016)

Directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the 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 satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

KHS UK Limited

Report of the directors for the year ended 31 December 2016 (*continued*)

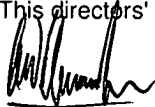
Auditors

All of the directors as at the date of this report have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information. The directors are not aware of any relevant audit information of which the company's auditor is unaware.

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

In preparing this directors' report advantage has been taken of the small companies' exemption.

This directors' report was approved by order of the Board on 18 December 2017



A D MacEwan
Director

KHS UK Limited

Independent auditor's report

TO THE MEMBERS OF KHS UK LIMITED

We have audited the financial statements of KHS UK Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

Respective responsibilities of directors and auditors

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

Scope of the audit of the financial statement

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

Basis for qualified opinion on financial statements

Included in the debtors shown on the balance sheet are trade debtors amounting to circa £340,000 which remain unpaid as at the date of this report. Also included within debtors is accrued income amounting to circa £150,000 which has been invoiced since the year end but remains unpaid. Given the age of these debtors, in our opinion an impairment provision should have been made in accordance with Financial Reporting Standard 101 and the accounting policy. We are unable to determine the amount of the provision and/or the reduction in turnover as management has not completed their investigation of these debtors.

Qualified opinion on financial statements

In our opinion, except for the effects of the matter described in the Basis for qualified opinion paragraph, 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 loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

KHS UK Limited

Independent auditor's report (*continued*)

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 during the course of the audit, we have not identified material misstatements in the directors' report.

In respect solely of the matter relating to trade debtors and accrued income described in the Basis for qualified opinion section above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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:

- 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
- the directors were not entitled to prepare the financial statement and the directors' report in accordance with the small companies regime and to the exemption from the requirement to prepare a strategic report.



Stephen Hale (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Birmingham
United Kingdom

Date 21 December 2017

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

KHS UK Limited

Statement of comprehensive income for the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	6,167,907	6,256,753
Cost of sales		(4,054,645)	(4,300,208)
Gross profit		2,113,262	1,956,545
Administrative expenses		(2,030,479)	(1,644,956)
Operating profit	4	82,783	311,589
Interest receivable and similar income	7	1,051	421
Interest payable and similar charges	8	(15,386)	(11,785)
Profit on ordinary activities before taxation		68,448	300,225
Taxation on profit from ordinary activities	9	(13,700)	(67,369)
Profit for the financial year		54,748	232,856
Total comprehensive income for the year		54,748	223,856

All amounts relate to continuing activities.

There were no items of other comprehensive income, other than those which are included above.

The notes on pages 8 to 18 form part of these financial statements.

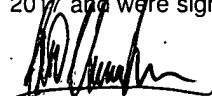
KHS UK Limited

Balance sheet at 31 December 2016

Company number 1131717	Note	2016 £	2016 3	2015 £	2015 £
Fixed assets					
Tangible assets	11		26,375		43,603
Current assets					
Stocks	12	461,398		522,283	
Debtors: amounts falling due within one year	13	2,735,765		2,195,318	
Cash at bank and in hand		649,675		214,420	
		<u>3,846,838</u>		<u>2,932,021</u>	
Creditors: amounts falling due within one year	14	<u>(3,007,030)</u>		<u>(2,164,189)</u>	
Net current assets			<u>839,808</u>		<u>767,832</u>
Total assets less current liabilities			<u>866,183</u>		<u>811,435</u>
Provisions for liabilities	15		<u>(3,418)</u>		<u>(3,418)</u>
Net assets			<u>862,765</u>		<u>808,017</u>
Capital and reserves					
Share capital	16		300,000		300,000
Retained earnings			562,765		508,017
Shareholders' funds			<u>862,765</u>		<u>808,017</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Board of Directors on 18 December 2017 and were signed on its behalf by:



A D MacEwan
Director

The notes on pages 8 to 18 form part of these financial statements.

KHS UK Limited

Statement of changes in equity for the year ended 31 December 2016

	Share capital £	Retained earnings £	Total £
At 1 January 2016	300,000	508,017	808,017
Comprehensive income for the year			
Profit for the year	-	54,748	54,748
Total comprehensive income for the year	-	54,748	54,748
Contributions by and distributions to owners			
Dividends : Equity capital	-	-	-
At 31 December 2016	300,000	562,765	862,765

Statement of changes in equity for the year ended 31 December 2015

	Share capital £	Retained earnings £	Total £
At 1 January 2015	300,000	525,161	825,161
Comprehensive income for the year			
Profit for the year	-	232,856	232,856
Total comprehensive income for the year	-	232,856	232,856
Contributions by and distributions to owners			
Dividends : Equity capital	-	(250,000)	(250,000)
Total contributions by and distributions to owners	-	(250,000)	(250,000)
At 31 December 2015	300,000	508,017	808,017

The notes on pages 8 to 18 form part of these financial statements.

KHS UK Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

1 Accounting policies

Basis of preparation of financial statements

The financial statements have been prepared under the historical costs convention and in accordance with Financial Reporting Standard 100 'Application of Financial Reporting Requirements'; Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more wholly owned members of the Salzgitter-Ag group.
- certain comparative information as otherwise required by EU endorsed IFRS
- certain disclosures regarding the company's capital
- the effect of future accounting standards not yet adopted
- the disclosure of the remuneration of key management personnel

Going concern

After making enquiries, and considering the uncertainties as a result of the current economic climate, the directors have a reasonable expectation that they have adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the annual reports and accounts.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes.

Revenue from the sale of goods is recognised on the receipt of goods by customer when all of the following conditions are deemed to be satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

KHS UK Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

1 Accounting policies (*continued*)

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the statement of comprehensive income during the period in which they are incurred.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Depreciation is provided on the following basis:

Improvements to property	-	Straight line over the life of the lease
Plant and machinery	-	25%
Fixtures and fittings	-	25%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last balance sheet date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'other operating income' in the statement of comprehensive income.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

At each balance sheet date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

Debtors

Short term debtors are measured at transaction price, less any impairment.

KHS UK Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

1 Accounting policies (*continued*)

Cash and cash equivalents

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

Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Creditors are initially recognised at fair value and are subsequently carried at amortised cost using the effective interest method.

Foreign currency translation

The company's functional and presentational currency is GBP.

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders.

Leased assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the statement of comprehensive income over the shorter of estimated useful economic life and the term of the lease.

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to profit or loss over the term of the lease and is calculated so that it represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor.

All other leases are treated as operating leases. Their annual rentals are charged to the statement of comprehensive income on a straight line basis over the term of the lease.

KHS UK Limited

Notes forming part of the financial statements For the year ended 31 December 2016 (*continued*)

1 Accounting policies (*continued*)

Pensions

Contributions to the defined contribution pension scheme are charged to the statement of comprehensive income in the year in which they become payable.

Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

Share capital

The company's ordinary shares are classified as equity instruments.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

KHS UK Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

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

In preparing these financial statements, the directors have had to make the following judgements and estimates:

Stock provision

Company stock levels are constantly reviewed and should there be an indication of impairment or obsolescence, the inventory is written down to its assessed net realisable value.

Useful lives of fixed assets

Tangible fixed assets, other than investment properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Recoverability of debtors and accrued income

Trade receivables are reviewed to ensure amounts are in line with agreed terms. A further assessment is made regarding the financial status of companies. If there is an indication of non-recoverability of debtors or accrued income that is to be billed to customers, then a provision will be made against the balances. During 2017 it was identified that there has been a delay in recovering certain trade debtors and accrued income to be invoiced to customers that are recognised within the reported balances at 31 December 2017. At the date of approval of the financial statements circa £340,000 of trade debtors and circa £150,000 of accrued income relating to balances recognised in the financial statements had not been recovered. Investigations and action to recover these sums is continuing.

3 Analysis of turnover

	2016 £	2015 £
Analysis of turnover by class of business is as follows:		
Sales of goods	3,997,095	4,670,286
Rendering of service and maintenance	2,170,812	1,586,467
	<u>6,167,907</u>	<u>6,256,753</u>
Analysis of turnover by country of destination:		
United Kingdom	5,401,413	5,883,025
Rest of Europe	734,310	320,164
Rest of the world	32,184	53,564
	<u>6,167,907</u>	<u>6,256,753</u>

KHS UK Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (continued)

4 Operating profit

	2016 £	2015 £
This has been arrived at after charging/(crediting):		
Cost of stock recognised as an expense (i)	2,510,970	2,536,592
Writedown of stock (1)	22,088	17,825
Fees payable to the company's auditor for the auditing of the company's annual accounts (ii)	17,000	16,225
Fees payable in relation to non-audit services (ii)	3,500	1,750
Depreciation of tangible fixed assets (ii)	26,356	26,356
Exchange differences (ii)	110,700	7,164
Operating lease expense:		
- land and building rentals (ii)	71,698	67,725
- other rentals (ii)	127,540	139,145
	<u>2,887,852</u>	<u>2,813,837</u>

i) included in cost of sales

ii) included in administrative expenses

5 Employees

Staff costs (including directors) comprise:

	2016 £	2015 £
Wages and salaries	1,850,714	1,830,871
Social security costs	242,113	243,297
Other pension costs	66,223	79,831
	<u>2,159,050</u>	<u>2,153,999</u>

All other pension costs are to a defined contribution pension scheme operated by the company on behalf of employees. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions amounting to £7,553 (2015 - £18,490) were payable to the fund at the year end and included within creditors.

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

	2016 Number	2015 Number
Management	4	4
Selling and distribution	12	12
Servicing	17	18
Administration	2	2
	<u>35</u>	<u>36</u>
Pension cost	33	36

KHS UK Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

6 Directors' remuneration

	2016 £	2015 £
Directors' emoluments	151,867	135,921

During the year retirement benefits were accruing to 2 directors (2015 -1) in respect of defined contribution pension schemes.

7 Interest receivable

	2016 £	2015 £
Other interest receivable	1,051	421

8 Interest payable and similar charges

	2016 £	2015 £
Other loan interest payable	113	324
Loans from group undertakings	15,273	11,461
	15,386	11,785

KHS UK Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

9 Taxation

	2016 £	2015 £
Corporation tax		
Current tax on profits for the year	13,700	66,800
Adjustment in respect of previous periods	-	-
Total current tax	13,700	66,800
Deferred tax		
Origination and reversal of timing differences	-	569
Total deferred tax	-	569
Taxation on profit on ordinary activities	13,700	67,369

Factors affecting tax charge for the year

The reasons for the difference between the actual tax charge for the year and the standard rate of corporation tax in the United Kingdom applied to profits for the year are as follows:

	2016 £	2015 £
Profit on ordinary activities before tax	68,448	300,225
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 – 20%)	13,690	60,045
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	3,679	6,642
Movements in deferred tax not recognised	(3,669)	-
Rate variance	-	682
Total tax charge for the year	13,700	67,369

Deferred tax that is expected to reserve in future periods has been calculated using rates substantively enacted at 31 December 2016.

The July 2015 Budget Announcement stated that the government will legislate to reduce the corporation tax rate to 19% in 2017 and a further announcement at the July 2016 budget stated that the rate will fall to 17% in 2020.

KHS UK Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

10 Dividends

	2016 £	2015 £
Interim dividend paid for year ended 31 December 2016 of nil (2015 – 83.33p) per share	-	250,000

11 Tangible assets

	Freehold land and buildings £	Plant and machinery £	Fixtures and fittings £	Total £
<i>Cost</i>				
At 1 January 2016	149,998	10,851	170,945	331,794
Additions	-	8,360	-	8,360
At 31 December 2016	149,998	19,211	170,945	340,154
<i>Depreciation</i>				
At 1 January 2016	138,940	10,781	138,470	288,191
Charge owned for the year	11,044	2,155	12,390	25,589
At 31 December 2016	149,984	12,936	150,860	313,780
<i>Net book value</i>				
At 31 December 2016	14	6,275	20,085	26,374
At 31 December 2015	11,058	70	32,475	43,603

12 Stocks

	2016 £	2015 £
Finished goods and goods for resale	461,385	552,283

KHS UK Limited

Notes forming part of the financial statements
for the year ended 31 December 2016 (continued)

13 Debtors

	2016 £	2015 £
Due within one year:		
Trade debtors	1,965,041	1,846,873
Amounts owed by group undertakings	380,969	207,437
Other debtors	46,295	-
Prepayments and accrued income	343,460	141,008
	<u>2,735,765</u>	<u>2,195,318</u>

14 Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	24,979	20,838
Amounts owed by group undertakings	2,464,394	1,564,964
Corporation tax	-	66,800
Taxation and social security	261,423	325,325
Accruals and deferred income	256,234	186,262
	<u>3,007,030</u>	<u>2,164,189</u>

15 Provisions for liabilities

	Deferred tax £
Charged to the profit and loss account and at 31 December 2016	
At 1 January 2016	3,418
Charged to statement of comprehensive income	-
	<u>3,418</u>
At 31 December 2016	
Deferred taxation	
The deferred tax asset is made up as follows:	
	2016 £
Accelerated capital allowances	<u>3,418</u>

KHS UK Limited

Notes forming part of the financial statements for the year ended 31 December 2016 (*continued*)

16 Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
300,000 ordinary shares of £1 each	<u>300,000</u>	<u>300,000</u>

17 Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Retained earnings	All other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere.

18 Commitments under operating leases

At 31 December 2016 the total future value of minimum lease payments under non-cancellable operating leases were as follows:

	2016 £	2015 £
Not later than 1 year	72,750	179,694
Later than 1 year and not later than 5 years	291,000	170,912
After more than 5 years	327,375	-
	<u>691,125</u>	<u>350,606</u>
Total	<u>691,125</u>	<u>350,606</u>

19 Contingent liabilities

The company has guarantees to HMRC in respect of deferred duties. At the year end the amounts covered by these guarantees totalled £120,000 (2015 - £120,000).

20 Ultimate parent company and control

The company's immediate parent undertaking is KHS GmbH, which is incorporated in Germany.

In the directors' opinion, the company's ultimate parent company is Salzgitter Ag which is incorporated in Germany. The registered office of Salzgitter Ag is Eisenhüttenstraße 99, 38239 Salzgitter, Germany.

Consolidated financial statements can be found on the company's website - <http://www.salgitter-ag.com>.