

GOSS | INTERNATIONAL

Goss International Europe UK Limited

Report and Financial Statements

for the year ended

31 December 2017



Goss International Europe UK Limited

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Goss International Europe UK Limited

Officers and Professional Advisors

Directors

C. Dikker
I. M. Buckley
S. Doerge

Secretary

M Weston

Solicitors

Lockett Loveday McMahan
4 Oxford Court
Manchester
M2 3WQ

Bankers

HSBC Bank PLC
49A Fishergate
Preston
PR1 8BH

Registered Office

Beech House
The Oaks Business Park
Longridge Road
Preston
Lancashire
PR2 5BQ

Auditor

RSM UK Audit LLP
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Goss International Europe UK Limited

Directors' Report

The Directors present their annual report on the affairs of the company, together with the audited financial statements and independent auditor's report, for the year ended 31st December 2017.

Principal activities

The principal activities of the company are:

- The sale, supply and installation of printing presses for the newspaper industry covering the UK, Europe, Africa and Middle East;
- Aftermarket support for newspaper customers in our sales region; and,
- Aftermarket support for commercial web customers in the UK and Ireland.

Going concern

The Directors have prepared cash flow forecasts for the period through to 30 September 2019 to assess whether they have reasonable grounds for concluding that it is appropriate to prepare the financial statements on a going concern basis. The directors note that the forgiveness of debt during the year and subsequent to the year-end have had positive effects on the company's balance sheet. The directors have concluded that, to continue as a going concern, the company requires the financial support of a fellow group company, manroland Goss web systems GmbH, who have confirmed in writing its intention to continue to support the company to a level which the Board believes, is sufficient for the company to remain a going concern.

Results and dividends

Results and dividends are as follows:

	£'000
Profit and loss reserves at beginning of year	(98,087)
Profit for the financial year	716
	<hr/>
Accumulated loss at end of year	(97,371)
	<hr/>

No dividend is proposed for the year ended 31 December 2017 (2016: £nil).

During the year, the company has recognised a capital contribution of £7,648k in relation to the forgiveness of intercompany debt by Goss International LLC that had arisen due to the cancellation of loan notes. This has had a significant positive effect on the company's balance sheet.

Directors

The Directors of the company who were in office during the year and up to the date of signing the financial statements were:

C. Dikker
I. M. Buckley
S. Doerge

Employees

The company believes that the health and safety of employees and all those affected by our business is fundamental to our operations. This commitment is actively promoted throughout the company.

The company is committed to the principle of Equal Opportunity in employment. We oppose any form of less or more favourable treatment being accorded to employees or job applications on the basis of their sexual orientation, marital status, race, colour, age, national or ethnic origins, or disability. Should an employee become disabled, the company will make every reasonable effort to ensure that their employment can continue and any training requested will be provided.

The company places considerable value on the involvement of its employees and has continued its previous practice of keeping them informed on matters affecting them as employees and on the various factors affecting the performance of the company. This is achieved through formal and informal communication meetings, email notices, bulletins, announcements and press releases. Employee representatives are consulted regularly on a wide range of matters affecting their current and future interests.

Goss International Europe UK Limited

Directors' Report

Environment

The company is committed to reducing its environmental impact on two fronts:

- Internally – By striving to improve its environmental performance with particular emphasis on recycling; and
- Externally – The company is working with its customers to reduce both the level of waste produced and the amount of paper and consumable materials required to produce their products.

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Future developments

Following the merger of the Goss International and manroland web systems groups, Goss International Europe UK Ltd and manroland web systems (UK) Ltd (a UK based company specialising in the maintenance of manroland presses within the UK) will merge to form one company. This merged company will continue to support and market both manroland and Goss International presses in the UK along with Goss Newspaper Presses in the existing Goss International territories.

Events since the Balance Sheet Date

In June 2018, following agreement at parent company level, the amount in trade creditors totalling £2,228k owed to a former sister company Goss Graphic Systems (China) Co Ltd was forgiven and written off.

In August 2018 the remaining intercompany loan plus interest with a total of £1,448k, owed to Goss International LLC was forgiven.

Both the above events have had a significant positive effect on the company's balance sheet.

In August 2018 it was announced that the then ultimate Goss parent company AIP and a German company L. Possehl & Co. mbH, which wholly owns a competitor press manufacturing group known as manroland web systems will combine their businesses. The Goss International Group companies and the manroland web systems companies will merge to form a new group called the manroland Goss Group.

Statement as to disclosure of information to auditor

The Directors who were in office on the date of approval of these financial statements have confirmed, as far as they are aware, that there is no relevant information of which the auditor is unaware. Each of the Directors has confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

This report has been prepared in accordance with the provisions applicable to the companies entitled to the small companies exemption.

On behalf of the Board

I M Buckley
Director

Date: 21 September 2018



21/09/18

Goss International Europe UK Limited

Directors' Responsibilities in the Preparation of Financial Statements

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 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.

Independent Auditor's Report to the Members of Goss International Europe UK Limited

Opinion on financial statements

We have audited the financial statements of Goss International Europe UK Limited ("the company") for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended; and
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

Independent Auditor's Report to the Members of Goss International Europe UK Limited

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption from the requirement to prepare a strategic report or in preparing the directors' report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Eric Solomons FCA (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF

Date: 27 September 2018

Goss International Europe UK Limited
Statement of Total Comprehensive Income
For the year ended 31 December 2017

	<i>Notes</i>	2017 £000	2016 £000
Turnover		7,155	7,484
Cost of sales		<u>(5,737)</u>	<u>(7,295)</u>
Gross profit		1,418	189
Administrative expenses		(527)	(2,917)
Exceptional redundancy costs	2	<u>-</u>	<u>(403)</u>
Operating profit / (loss)		891	(3,131)
Interest payable and similar charges	4	<u>(194)</u>	<u>(269)</u>
Profit / (loss) on ordinary activities before taxation		697	(3,400)
Taxation	5	<u>19</u>	<u>(7)</u>
Profit / (loss) on ordinary activities after taxation for the financial period		716	(3,407)
Total comprehensive income for the year		<u>716</u>	<u>(3,407)</u>

The operating result for the period arises from the company's continuing operations.

Goss International Europe UK Limited

Company number: 03212468

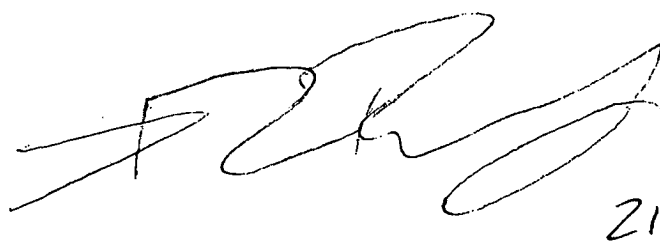
Statement of Financial Position

At 31 December 2017

	Notes	2017 £000	2016 £000
Fixed assets			
Tangible assets	6	86	111
		<u>86</u>	<u>111</u>
Current assets			
Stocks	7	395	201
Debtors	8	2,224	2,545
Cash at bank and in hand		157	381
		<u>2,776</u>	<u>3,127</u>
Creditors			
Amounts falling due within one year	9	(6,962)	(14,952)
Net current liabilities		<u>(4,186)</u>	<u>(11,825)</u>
Total assets less current liabilities		<u>(4,100)</u>	<u>(11,714)</u>
Creditors			
Amounts falling due after more than one year	10	-	(750)
Net liabilities		<u>(4,100)</u>	<u>(12,464)</u>
Capital and reserves			
Share capital	14	487	487
Share premium	14	82,036	82,036
Other reserve	14	10,748	3,100
Profit and loss account	14	(97,371)	(98,087)
Total shareholders' deficit		<u>(4,100)</u>	<u>(12,464)</u>

These financial statements were approved by the directors, authorised for issue on 21 September 2018 and are signed on their behalf by:

I M Buckley
Director



21/09/18

Goss International Europe UK Limited

Statement of Changes in Equity

For the year ended 31 December 2017

	Share Capital £000	Share Premium £000	Other Reserve £000	Profit & Loss £000	Total £000
Balance at 1 January 2016	487	82,036	3,100	(94,680)	(9,057)
Loss for the year	-	-	-	(3,407)	(3,407)
Total comprehensive income for the year	-	-	-	(3,407)	(3,407)
Balance at 31 December 2016	487	82,036	3,100	(98,087)	(12,464)
Profit for the year	-	-	-	716	716
Total comprehensive income for the year	-	-	-	716	716
Capital contribution received	-	-	7,648	-	7,648
Balance at 31 December 2017	487	82,036	10,748	(97,371)	(4,100)

Goss International Europe UK Limited

Accounting Policies

General information

Goss International Europe UK Limited ("the Company") is a limited company domiciled and incorporated in England.

The address of the Company's registered office and place of business is Beech House, The Oaks Business Park, Longridge Road, Preston, Lancashire, PR2 5BQ.

The company's principal activities are the sale, supply and installation of printing presses for the newspaper industry covering the UK, Europe, Africa and Middle East, including aftermarket support for newspaper customers in our sales region and aftermarket support for commercial web customers in the UK and Ireland.

Basis of accounting

These financial statements of Goss International Europe UK Limited are prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and in accordance with the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of Section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in the financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

Going concern

The Directors have prepared cash flow forecasts for the period through to 30 September 2019, to assess whether they have reasonable grounds for concluding that it is appropriate to prepare the financial statements on a going concern basis. The directors note that the forgiveness of debt during the year and subsequent to the year-end have had positive effects on the company's balance sheet. The directors have concluded that, to continue as a going concern, the company requires the financial support of a fellow group company, manroland Goss web systems GmbH, who have confirmed in writing its intention to continue to support the company to a level which the Board believes, is sufficient for the company to remain a going concern.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

Turnover

Turnover is measured at the fair value of the consideration received or receivable for the sale of goods and services to external customers in the ordinary course of business. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates. Turnover is shown net of Value Added Tax.

Turnover is recognised in relation to separately identifiable components of a single transaction when necessary to reflect the substance of the arrangement and in relation to two or more linked transactions when necessary to understand the commercial effect.

Goss International Europe UK Limited

Accounting Policies

Turnover *(continued)*

The Company derives its turnover from two main sources: the sale and installation of printing units manufactured by a third party; and the provision of service and parts for existing press equipment. Each of these income streams follows different revenue recognition criteria as the installation and sale can be sold as discrete elements. The value of apportioned revenue is calculated based on the percentage of total contract costs, which is an estimation of the revenue stream's fair value.

Equipment sales

- Revenue is recognised as the risk and rewards of ownership for discrete elements pass to the customer.

Installation

- Revenue is recognised on a percentage of completion basis.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:-

Leasehold property	-	Over the life of the lease
Plant & machinery	-	10-40% on cost

Residual value is calculated on prices prevailing at the reporting date, after estimated costs of disposal, for the asset as if it were at the age and in the condition expected at the end of its useful life.

Impairment of assets

An assessment is made at each reporting date of whether there are indications that a fixed asset may be impaired or that an impairment loss previously recognised has fully or partially reversed. If such indications exist, the Company estimates the recoverable amount of the asset.

Shortfalls between the carrying value of fixed assets and their recoverable amounts, being the higher of fair value less costs to sell and value-in-use, are recognised as impairment losses. Impairment losses are recognised in profit or loss.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Reversals of impairment losses are recognised in profit or loss. On reversal of an impairment loss, the depreciation or amortisation is adjusted to allocate the asset's revised carrying amount (less any residual value) over its remaining useful life.

Stocks

Stocks are valued at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the weighted average cost basis method and for finished goods and work in progress, includes direct labour costs and overheads appropriate to the stage of manufacture.

At each reporting date, the Company assesses whether stocks are impaired or if an impairment loss recognised in prior periods has reversed. Any excess of the carrying amount of stock over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Goss International Europe UK Limited

Accounting Policies

Taxation *(continued)*

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Current and deferred tax is charged or credited in profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Retirement benefits

The Company operates a defined contribution pension scheme. The amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Operating lease agreements

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease. Rent free periods or other incentives given to the lessee are accounted for as a reduction to the rental income and recognised on a straight-line basis over the lease term.

Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Trade and group debtors

Trade and group debtors which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price. Trade and group debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Where the arrangement with a trade or group debtor constitutes a financing transaction, the debtor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument. A provision for impairment of trade or group debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract.

Impairment losses are recognised in profit or loss for the excess of the carrying value of the trade debtor over the present value of the future cash flows discounted using the original effective interest rate.

Subsequent reversals of an impairment loss that objectively relate to an event occurring after the impairment loss was recognised, are recognised immediately in profit or loss.

Goss International Europe UK Limited

Accounting Policies

Financial liabilities and equity

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

Trade and group creditors

Trade and group creditors payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Where the arrangement with a trade or group creditor constitutes a financing transaction, the creditor is initially and subsequently measured at the present value of future payments discounted at a market rate of interest for a similar instrument.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other similar charges.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, 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. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Dividends

Dividends are recognised as liabilities once they are no longer at the discretion of the Company.

Goss International Europe UK Limited

Notes to the Financial Statements

For the year ended 31 December 2017

1 Capital contribution

During the year, the company has recognised a capital contribution of £7,648k in relation to the forgiveness of intercompany debt that had arisen due to the cancellation of loan notes.

2 Employees

The average number of monthly persons (including directors) employed by the company during the year was 46 (2016: 54).

Redundancy costs incurred during the year amounted to £211k and have been recorded within administrative expenses. Redundancy costs incurred in the prior year were £403k.

3 Directors' emoluments

	2017 £000	2016 £000
Aggregate emoluments	96	35
Pension contributions	1	-
	<u>97</u>	<u>35</u>

The number of directors who accrued benefits under company pension schemes was 1 (2016: 1).

4 Interest payable

	2017 £000	2016 £000
Other loans	<u>194</u>	<u>269</u>

Goss International Europe UK Limited

Notes to the Financial Statements

For the year ended 31 December 2017

5 Taxation	2017 £000	2016 £000
Current tax:		
In respect of the year:		
UK corporation tax on profit/(loss) for the period at 19.25% (2016: 20%)	134	-
Utilisation of losses	(134)	-
Foreign taxes	-	7
Adjustments in respect of prior years	(19)	-
	<u>(19)</u>	<u>7</u>
Total current tax	(19)	7
Deferred taxation:		
Origination and reversal of timing differences	-	-
	<u>-</u>	<u>-</u>
Total deferred tax charge	-	-
	<u>-</u>	<u>-</u>
Tax on profit/(loss) on ordinary activities	<u>(19)</u>	<u>7</u>

The main rate of corporation tax stands at 19% in 2017/18. This will be further reduced to 17% for financial years starting on 1 April 2018 and then to 17% from 1 April 2020, thus aligning the main company rate and the small company rate. These reductions were substantively enacted on 6 September 2016.

6 Tangible fixed assets	Leasehold Land and Buildings £000	Plant and machinery £000	Total £000
Cost			
At 31 December 2016	82	481	563
	<u>82</u>	<u>481</u>	<u>563</u>
At 31 December 2017	82	481	563
	<u>82</u>	<u>481</u>	<u>563</u>
Depreciation			
At 31 December 2016	20	432	452
Charge for the year	9	16	25
	<u>29</u>	<u>448</u>	<u>477</u>
At 31 December 2017	29	448	477
	<u>29</u>	<u>448</u>	<u>477</u>
Net book value			
At 31 December 2017	53	33	86
	<u>53</u>	<u>33</u>	<u>86</u>
At 31 December 2016	62	49	111
	<u>62</u>	<u>49</u>	<u>111</u>

Goss International Europe UK Limited

Notes to the Financial Statements

For the year ended 31 December 2017

7	Stocks	2017 £000	2016 £000
	Raw materials	78	88
	Work in progress	317	113
		<u>395</u>	<u>201</u>

Year end raw material stock of £70k (2016: £104k) has been provided for in these financial statements.

8	Debtors	2017 £000	2016 £000
	Trade debtors	1,029	1,641
	Amounts owed by group undertakings	497	313
	Other debtors	153	199
	Prepayments and accrued income	545	392
		<u>2,224</u>	<u>2,545</u>

Amounts owed by group undertakings are unsecured and repayable on demand. No interest is chargeable on these amounts.

9	Creditors: Amounts falling due within one year	2017 £000	2016 £000
	Trade creditors	2,592	2,783
	Amounts owed to group undertakings	2,081	8,776
	Other creditors	104	113
	Other tax and social security	65	79
	Notes payable to pension schemes	-	270
	Accruals and deferred income	2,120	2,931
		<u>6,962</u>	<u>14,952</u>

Amounts owed to group undertakings are unsecured and repayable on demand. The amounts owed to group undertakings include £1,358k (2016: £8,363k) of short term loans that are subject to an interest charge of 3.75% (2016: between 3.75% - 7.22%). No interest is chargeable on the trading balances.

10	Creditors: Amounts falling due after more than one year	2017 £000	2016 £000
	Notes payable to pension schemes	-	750
		<u>-</u>	<u>750</u>

The above amounts were due to be repaid by 16 January 2019, however during 2017 they were converted into an inter-company loan and subsequently forgiven.

Goss International Europe UK Limited

Notes to the Financial Statements

For the year ended 31 December 2017

11 Deferred taxation

Deferred taxation has not been recognised as the Directors have concluded on the basis of reasonable assumptions and the intentions of management that it is not probable that the asset will crystallise. The amount of the unrecognised deferred tax asset is made up as follows:

	2017 £000	2016 £000
Accelerated capital allowances	<u>(1,143)</u>	<u>(1,637)</u>

In addition, there is an unrecognised deferred tax asset in relation to losses carried forward of approximately £12.4m (2016: £14.4m) and on the pension scheme deficits £nil (2016: £0.1m).

12 Guarantees and other financial commitments

a) Capital commitments

There were no capital commitments as at 31 December 2017 or 31 December 2016.

b) Lease commitments

At 31 December 2017, the company had commitments under non-cancellable operating leases as follows:

	2017 £000	2016 £000
Amounts payable within:		
Less than one year	92	98
Between two and five years	<u>60</u>	<u>153</u>
Asset at end of year	<u>152</u>	<u>251</u>

c) Implications of the CVA entered into in 2013

Issuance of £1.5m in loan notes redeemable by the pension funds, £0.25m per year in 2015-8 and £0.5m in 2019. These payments have been guaranteed by the company's fellow group company, Goss International LLC. During 2017, these loan notes have been cancelled and transferred to Goss International LLC, and subsequently forgiven.

13 Retirement benefits

Defined contribution scheme

The Company operates a defined contribution pension scheme for all qualifying employees in the United Kingdom. The assets of the scheme are held separately from those of the Company in an independently administered fund. The contributions payable by the Company charged to profit or loss amounted to £23k (2016: £22k).

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For the year ended 31 December 2017

14 Share capital and reserves	2017 £000	2016 £000
Authorised, allotted, called up and fully paid share capital:		
325,000 (2016: 325,000) ordinary shares of £1 each	325	325
162,499 (2016: 162,499) 'A ordinary' shares of £1 each	162	162
	<u>487</u>	<u>487</u>

The ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the company. The 'A ordinary' shares do not carry rights to fixed income or voting rights.

Reserves of the Company represent the following:

Share premium

Consideration received for shares issued above their nominal value net of transaction costs.

Other reserve

Capital contribution made by the parent at the time, Goss International Corporation on 12 December 2012 and forgiveness of intercompany debt that had arisen due to the cancellation of loan notes.

Retained earnings

Cumulative profits and losses net of distributions to owners.

15 Events since the Balance Sheet Date

In June 2018, following agreement at parent company level, the amount in trade creditors totalling £2,228k owed to a former sister company Goss Graphic Systems (China) Co Ltd was forgiven and written off.

In August 2018 the remaining intercompany loan plus interest with a total of £1,448k, owed to Goss International LLC was forgiven.

Both the above events have had a significant positive effect on the company's balance sheet.

In August 2018 it was announced that the then ultimate Goss parent company AIP and a German company L. Possehl & Co. mbH, which wholly owns a competitor press manufacturing group known as manroland web systems will combine their businesses. The Goss International Group companies and the manroland web systems companies will merge to form a new group called the manroland Goss Group.

16 Ultimate controlling party

At 31 December 2017, the Directors regarded Goss Holding UK Limited, which is registered and incorporated in England and Wales, as its immediate parent company and American Industrial Partners of 330 Madison Ave, 28th Floor, New York, NY, 10017, a middle-market private equity firm which is registered and incorporated in the USA, as its ultimate parent company and controlling party.

The smallest group of which Goss International Europe UK Limited was a member and for which group financial statements are drawn up was that headed by Goss Holding LP.

As noted in Note 15, subsequent to the year end, the ultimate parent entity has changed to L. Possehl & Co. mbH.