

**HAVI Global Solutions Europe Limited**  
**(Registered number: 05319761)**

**Annual report and financial statements**

**For the year ended 31 December 2014**

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# HAVI Global Solutions Europe Limited

(Registered number: 05319761)

## Strategic report for the year ended 31 December 2014

The directors present their strategic report on the company for the year ended 31 December 2014.

### Business review and future developments

Both the level of business and the year-end financial position were satisfactory, and the directors expect that the present level of activity will be sustained for the foreseeable future.

Turnover decreased compared to the prior year. Operating profit and operating profit margin fell compared to the prior year due to decreased revenue.

### Key performance indicators

- Turnover of €8,955,527 (2013: €9,063,757)
- Operating profit of €874,807 (2013: €998,228)
- Operating profit margin of 9.8% (2013: 11.0%)

### Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to a number of risks.

The key business risks and uncertainties affecting the company are considered to relate to employee retention and the fact that the company's sales are substantially with the European McDonald's group, its licensees, or its distributors.

#### *Employee retention*

Company policy is to remunerate its personnel in line with market rates and practice. In addition to competitive salaries, annual bonus schemes and other benefits are offered. Succession planning is considered regularly by management. The company is able to offer employees appropriate training and opportunities for advancement and has a demonstrable track record of internal promotion.

#### *Relationships with McDonald's*

The importance of relationships with McDonald's is recognised and managed by the directors and senior personnel who have direct and regular access to their counterparts at McDonald's and ensure that an excellent level of customer service is maintained.

On behalf of the Board



Douglas Moody-Stuart  
Director

September 17<sup>th</sup>, 2015

## **HAVI Global Solutions Europe Limited**

(Registered number: 05319761)

### **Directors' report for the year ended 31 December 2014**

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

#### **Principal activities**

HAVI Global Solutions Europe Limited is a service business that administers and monitors the packaging needs of the McDonald's group in Europe and other customers. The company's sales are substantially with the European McDonald's group, its licensees, or its distributors.

#### **Future developments**

Refer to the Strategic report.

#### **Financial risk management**

The objectives of the company are to manage the company's financial risk, secure cost effective funding for the company's operations and to minimise the adverse effects of fluctuations in the financial markets on the company's financial assets and liabilities, on reported profitability and on the cash flows of the company.

The main risks arising from the company's financial instruments are liquidity risk, interest rate cash flow risk, credit risk, and foreign exchange risk. The Board of Directors reviews and agrees policies for managing these risks as summarised below.

##### *Liquidity risk*

The company finances its operations through a mixture of retained profits, working capital and balances with HAVI Group LP group companies that are designed to ensure the company has sufficient available funds for operations and future growth.

##### *Interest rate cash flow risk*

The company's interest bearing assets include cash balances and short term loans from HAVI Group LP group companies. The company has a policy of maintaining debt at variable rates. The company will revisit the appropriateness of this policy should the company's operations change in size or nature.

##### *Credit risk*

Credit risk mainly arises from deposits with banks, outstanding receivables from customers and any committed transactions. For banks, only independently rated parties with a minimum rating of 'A' are accepted. The credit quality of the customer is assessed taking into account its financial position, past experience and other factors. We also select insurers with good credit ratings. The amount of exposure to any individual counterparty is reviewed regularly by management.

##### *Foreign exchange risk*

The company operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily in respect to Sterling. Foreign exchange risk arises from future commercial transactions and recognised assets or liabilities that are denominated in a currency that is not the company's functional currency. Mitigation is achieved by sourcing goods and services in the same currency as the exposure. The company does not use derivatives to manage its foreign exchange exposure.

## **HAVI Global Solutions Europe Limited**

(Registered number: 05319761)

### **Directors' report for the year ended 31 December 2014 (continued)**

#### **Results and dividends**

The profit for the year amounted to €599,777 (2013: €730,230). In the shareholders meeting on 27 October 2014 it was resolved to pay a final dividend in respect of 2013 of €730,230 (€730.23 per share). The dividend was paid and recorded in the financial year 2014. In 2013 the final dividend paid in respect of 2012 amounted to €907,996 (2013: €907.996 per share). No interim or final dividend in respect of 2014 has been proposed.

#### **Directors**

The directors of the company who held office during the year and up to the date of signing these financial statements unless otherwise stated are given below:

Michael Bungers                      (resigned 19<sup>th</sup> of June 2015)  
Keith Damarell  
Douglas Moody-Stuart

#### **Branches**

The company has branches in Paris and Munich.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the strategic report, 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 prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

## **HAVI Global Solutions Europe Limited**

(Registered number: 05319761)

### **Directors' report for the year ended 31 December 2014 (continued)**

#### **Disclosure of information to auditors**

Each director in office at the date of approval of this report confirms that:

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

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

#### **Independent auditors**

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their appointment will be proposed at the annual general meeting.

On behalf of the Board



Douglas Moody-Stuart  
**Director**

September 17<sup>th</sup>, 2015

## **HAVI Global Solutions Europe Limited**

(Registered number: 05319761)

# ***Independent auditors' report to the members of HAVI Global Solutions Europe Limited***

## **Report on the financial statements**

### **Our opinion**

In our opinion, HAVI Global Solutions Europe Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2014 and of its profit and cash flows 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.

### **What we have audited**

The financial statements comprise:

- the balance sheet as at 31 December 2014;
- the profit and loss account for the year then ended;
- the cash flow statement for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

## **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion, 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.

## **Other matters on which we are required to report by exception**

### **Adequacy of accounting records and information and explanations received**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- 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.

We have no exceptions to report arising from this responsibility.

### **Directors' remuneration**

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

## HAVI Global Solutions Europe Limited

(Registered number: 05319761)

### Responsibilities for the financial statements and the audit

Our responsibility for the financial statements and the audit

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What we do in the audit

We conducted our audit in accordance with ISAs (UK & Ireland). 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.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report and financial statements 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.



Stephen Pascoe (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Reading  
18 September 2015

## HAVI Global Solutions Europe Limited

(Registered number: 05319761)

### Profit and loss account for the year ended 31 December 2014

	<i>Note</i>	Year ended 31 December 2014 €	Year ended 31 December 2013 €
Turnover	2	8,955,527	9,063,757
Cost of Sales		(4,441)	-
Gross profit		8,951,086	9,063,757
Administrative expenses		(8,076,279)	(8,065,529)
Operating profit	3	874,807	998,228
Interest receivable and similar income	5	151	414
Interest payable and similar charges	6	(17,438)	(30,419)
Profit on ordinary activities before taxation		857,520	968,223
Tax on profit on ordinary activities	7	(257,743)	(237,993)
Profit for the financial year	13	599,777	730,230

For the years stated above, the results have been derived entirely from continuing operations.

There are no material differences between the profit on ordinary activities before taxation and profit for the financial years stated above and their historical cost equivalents.

For the years stated above, the company has no recognised gains and losses other than those included in the results above, and therefore no separate statement of total recognised gains and losses has been presented.

The notes on pages 10 to 19 form part of these financial statements.



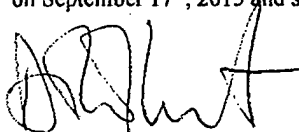
## HAVI Global Solutions Europe Limited

(Registered number: 05319761)

### Balance sheet as at 31 December 2014

	Note	2014 €	2013 €
<b>Fixed Assets</b>			
<b>Tangible assets</b>	8	382,088	472,408
<b>Current assets</b>			
Debtors	9	3,307,103	3,961,509
Cash at bank and in hand		209,361	28,607
		3,516,464	3,990,116
<b>Creditors – amounts falling due within one year</b>	10	(3,297,297)	(3,730,816)
<b>Net current assets</b>		219,167	259,300
<b>Total assets less current liabilities</b>		601,255	731,708
<b>Net assets</b>		601,255	731,708
<b>Capital and reserves</b>			
Called up share capital	12	1,470	1,470
Profit and loss account	13	599,785	730,238
<b>Total shareholders' funds</b>	14	601,255	731,708

The financial statements on pages 7 to 20 were approved by the Board of Directors on September 17<sup>th</sup>, 2015 and signed on its behalf by:

  
Douglas Moody-Stuart  
Director

The notes on pages 10 to 20 form part of these financial statements.

# HAVI Global Solutions Europe Limited

(Registered number: 05319761)

## Cash flow statement for the year ended 31 December 2014

	<i>Note</i>	2014 €	2013 €
Net cash inflow from operating activities	16	3,195,611	11,899
Returns on investments and servicing of finance			
Interest received		151	414
Interest paid		(17,438)	(30,419)
Net cash (outflow) / inflow from returns on investments and servicing of finance		(17,287)	(30,005)
Taxation		(243,551)	(273,268)
Capital expenditure and financial investment			
Purchase of tangible fixed assets	8	(38,789)	(98,621)
Net cash outflow for capital expenditure and financial investment		(38,789)	(98,621)
Equity dividends paid to shareholders	22	(730,230)	(907,996)
Net cash outflow before financing		2,165,754	(1,297,991)
Financing			
Decrease/ Increase in borrowings	17,18	(1,985,000)	1,085,000
Increase/ Decrease in cash	17,18	180,754	(212,991)

# **HAVI Global Solutions Europe Limited**

(Registered number: 05319761)

## **Notes to the financial statements for the year ended 31 December 2014**

### **1 Accounting policies**

#### **(a) Basis of preparation and accounting convention**

These financial statements are prepared on the going concern basis, under the historical cost convention, as modified by the revaluation of derivative financial instruments at fair value, and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

#### **(b) Local currency**

The local and presentational currency of the company is Euro as this is as the currency of the primary economic environment in which the company operates and generates cash flows.

#### **(c) Fixed assets and depreciation**

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use. Depreciation is calculated to write off the cost of tangible fixed assets, less their residual values, over their expected useful lives using the straight line basis. The expected useful lives of the assets to the business are reassessed periodically in the light of experience.

Straight line annual rates of depreciation most widely used are:

Office equipment	20.0 %
Computer equipment	20.0 - 33.3 %
Computer software	33.3%

#### **(d) Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the balance sheet date. All differences are taken to the profit and loss account.

#### **(e) Pensions**

The company operates a defined contribution pension scheme, the assets of which are held separately from those of the company. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme. Any difference between contributions payable and contributions paid are included as either a prepayment or an accrual in the balance sheet.

#### **(f) Turnover**

Turnover, which is stated net of value added tax, represents amounts earned in relation to services rendered. Turnover is recognised on an accruals basis as services are provided. The price is usually fixed and always determinable.

## **HAVI Global Solutions Europe Limited**

(Registered number: 05319761)

### **Notes to the financial statements for the year ended 31 December 2014 (continued)**

#### **1 Accounting policies (continued)**

##### **(g) Leases**

Rentals payable under operating leases are charged on a straight line basis over the lease term.

##### **(h) Deferred taxation**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date.

A net deferred tax asset is recognised as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits against which to recover carried forward tax losses and from which the future reversal of underlying timing differences can be deducted.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on an undiscounted basis.

##### **(i) Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the company's financial statements in the period in which the dividends are paid or are approved by the company's shareholders.

# HAVI Global Solutions Europe Limited

(Registered number: 05319761)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 2 Turnover

The company operates in one class of business, packaging and procurement services. All turnover originates in the UK. Turnover by destination is as follows:

	Year ended 31 December 2014 €	Year ended 31 December 2013 €
UK	1,807,802	1,051,828
Rest of Europe	7,147,725	8,011,929
	<u>8,955,527</u>	<u>9,063,757</u>

### 3 Operating profit

	Year ended 31 December 2014 €	Year ended 31 December 2013 €
Operating profit is stated after charging/(crediting):		
Wages and salaries	3,512,406	3,421,813
Social security costs	631,160	612,736
Other pension costs (note 21)	105,178	104,849
	<u>4,248,744</u>	<u>4,139,398</u>
Operating lease rentals – land and buildings	314,810	323,117
Services provided by the company's auditors and its associates – fees payable for the audit of the company's financial statements	27,250	27,250
Loss on disposal of tangible fixed assets	65	12,080
Foreign exchange loss/(gain)	130,239	47,051
Depreciation of tangible fixed assets	<u>129,044</u>	<u>160,354</u>

### 4 Employee information and directors' emoluments

The average monthly number of persons (excluding directors) employed by the company during the year was 40 (2013: 41), all of whom performed office and management duties.

	Year ended 31 December 2014 €	Year ended 31 December 2013 €
Aggregate directors' emoluments	610,038	567,044
Total emoluments of highest paid director	307,527	296,041

Directors' emoluments for two directors are paid by the company. Emoluments (including pension) for the other director are paid by the parent company, HAVI Global Solutions Europe GmbH and the portion relating to his UK services recharged at cost to the company as part of a management charge. One director (2013: one) has accrued benefits under the company's defined contribution scheme, and in 2014 the company paid contributions of €19,227 (2013: €23,670) for this director. The one (2013: one) of the directors who is employed by the parent company has accrued benefits under the HAVI Global Solutions Europe GmbH

## **HAVI Global Solutions Europe Limited**

(Registered number: 05319761)

### **Notes to the financial statements for the year ended 31 December 2014 (continued)**

defined benefit scheme. The entirety of this pension benefit is payable by HAVI Global Solutions Europe GmbH and as stated above is included in the management charge.

The highest paid director is not a member of any group or company pension scheme.

## HAVI Global Solutions Europe Limited

(Registered number: 05319761)

### Notes to the financial statements for the year ended 31 December 2014 (continued)

#### 5 Other Interest receivable and similar income

	Year ended 31 December 2014 €	Year ended 31 December 2013 €
Other interest	151	414
	<u>151</u>	<u>414</u>

The interest receivable from group undertakings relates to short term balances which had been repaid by the year-end.

#### 6 Interest payable and similar charges

	Year ended 31 December 2014 €	Year ended 31 December 2013 €
Interest payable to group undertakings	14,869	30,274
Other interest	2,569	145
	<u>17,438</u>	<u>30,419</u>

#### 7 Tax on profit on ordinary activities

	Year ended 31 December 2014 €	Year ended 31 December 2013 €
Analysis of tax charge for the year		
Current tax		
UK corporation tax on profit for the year	210,082	239,605
Adjustments in respect of previous years	30,572	(20,715)
Double tax relief	(44,215)	(44,692)
Overseas tax	68,158	63,547
Total current tax	<u>264,597</u>	<u>237,745</u>
Deferred tax		
Origination and reversal of timing differences	(1,703)	(2,742)
Adjustment in respect of prior periods	(5,151)	-
Impact of change in tax rate	-	2,990
Total deferred tax (see note 11)	<u>(6,854)</u>	<u>248</u>
Tax on profit on ordinary activities	<u>257,743</u>	<u>237,993</u>

## HAVI Global Solutions Europe Limited

(Registered number: 05319761)

### Notes to the financial statements for the year ended 31 December 2014 (continued)

#### 7 Tax on profit on ordinary activities (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is higher (2013: higher) than the standard rate of corporation tax in the UK applicable to the company (21.50% (2013: 23.25%)). The differences are explained below:

	Year ended 31 December 2014 €	Year ended 31 December 2013 €
Profit on ordinary activities before taxation	857,520	968,223
Profit on ordinary activities multiplied by the relevant standard rate of corporation tax in the UK at 21.50% (2013: 23.25%)	184,367	225,112
Effects of:		
Overseas tax	23,943	18,855
Expenses not deductible for tax purposes	23,885	22,175
Adjustments in respect of prior years	30,572	(20,715)
Accelerated capital allowances and other timing differences	1,830	(7,682)
<b>Total current tax charge</b>	<b>264,597</b>	<b>237,745</b>

##### Factors that may affect future tax charges

As Finance Act 2013 had been substantively enacted at the balance sheet date, these financial statements account for the changes in tax rate from 23% to 21% with effect from 1 April 2014, and the further reduction in the tax rate to 20% with effect from 1 April 2015. The deferred tax balances continue to be measured at a rate of 20%.

In the Finance Act of July 2015, a reduction in the rate of corporation tax from 20% to 19% from 1 April 2017, and to 18% from 1 April 2020, was announced but has not been substantively enacted.



# **HAVI Global Solutions Europe Limited**

(Registered number: 05319761)

## **Notes to the financial statements for the year ended 31 December 2014 (continued)**

### **8 Tangible assets**

	Computer equipment €	Office equipment €	Computer Software €	Total €
<b>Cost</b>				
At 1 January 2014	329,104	547,127	38,681	914,912
Additions	36,898	-	1,891	38,789
Reclassifications	-	-	-	-
Disposals	-	(124,645)	-	(124,645)
<b>At 31 December 2014</b>	<b>366,002</b>	<b>422,482</b>	<b>40,572</b>	<b>829,056</b>
<b>Accumulated Depreciation</b>				
At 1 January 2014	131,924	279,211	31,369	442,504
Charge for the year	55,770	69,220	4,054	129,044
Disposals	-	(124,580)	-	(124,580)
<b>At 31 December 2014</b>	<b>187,694</b>	<b>223,851</b>	<b>35,423</b>	<b>446,968</b>
<b>Net Book Amount</b>				
<b>At 31 December 2014</b>	<b>178,308</b>	<b>198,631</b>	<b>5,149</b>	<b>382,088</b>
<b>At 31 December 2013</b>	<b>197,180</b>	<b>267,916</b>	<b>7,312</b>	<b>472,408</b>

### **9 Debtors**

	2014 €	2013 €
Trade debtors	907,798	541,017
Amounts owed by group undertakings	1,984,330	1,154,771
Other debtors	248,105	186,962
Deferred tax asset (note 11)	20,175	13,322
Prepayments and accrued income	146,695	2,065,437
	<b>3,307,103</b>	<b>3,961,509</b>

All amounts due from group undertakings are unsecured, interest free and repayable on demand.

## HAVI Global Solutions Europe Limited

(Registered number: 05319761)

### Notes to the financial statements for the year ended 31 December 2014 (continued)

#### 10 Creditors - Amounts falling due within one year

	2014 €	2013 €
Trade creditors	111,377	124,047
Amounts owed to group undertakings	309,104	2,168,940
Corporation tax	56,875	42,683
Other taxation and social security	235,049	226,820
Other creditors	20,126	11,106
Accruals and deferred income	2,564,766	1,157,220
	<u>3,297,297</u>	<u>3,730,816</u>

The amount owed to group undertakings includes an unsecured short term loan of € nil (2013: €1,985,000). All other amounts due to group undertakings are interest free, unsecured and repayable on demand.

#### 11 Deferred taxation

	2014 €	2013 €
At 1 January	13,322	13,570
Credit/ (Charge) for the year	6,854	(248)
At 31 December	<u>20,176</u>	<u>13,322</u>

The deferred tax asset is made up as follows:

	2014 €	2013 €
Short term timing differences	2,236	-
Capital allowances less than depreciation	17,940	13,322
	<u>20,176</u>	<u>13,322</u>

The directors consider that it is more likely than not that there will be sufficient taxable profits in the future such as to realise the deferred tax asset, and therefore the asset has been recognised in these financial statements.

## HAVI Global Solutions Europe Limited

(Registered number: 05319761)

### Notes to the financial statements for the year ended 31 December 2014 (continued)

#### 12 Called up share capital

	2014 €	2013 €
Authorised 1,000 (2013: 1,000) ordinary shares of £1 each	<u>1,470</u>	<u>1,470</u>
Allotted and fully paid 1,000 (2013: 1,000) ordinary shares of £1 each	<u>1,470</u>	<u>1,470</u>

The company was incorporated on 22 December 2004 with an authorised share capital of £1,000 made up of 1,000 ordinary shares of £1 each. On 22 December 2004, 1,000 ordinary shares were issued for cash of £1,000. The share capital was converted to Euros at the rate of €1.47/£1 on 22 December 2004.

#### 13 Profit and loss account

	€
At 1 January 2014	730,238
Profit for the financial year	599,777
Dividends (note 21)	<u>(730,230)</u>
At 31 December 2014	<u>599,785</u>

#### 14 Reconciliation of movements in shareholders' funds

	2014 €	2013 €
Dividends	(730,230)	(907,996)
Profit for the financial year	<u>599,777</u>	<u>730,230</u>
Net movement in funds	(130,453)	(177,766)
At 1 January	<u>731,708</u>	<u>909,474</u>
At 31 December	<u>601,255</u>	<u>731,708</u>

# HAVI Global Solutions Europe Limited

(Registered number: 05319761)

## Notes to the financial statements for the year ended 31 December 2014 (continued)

### 15 Net cash inflow from operating activities

Continuing operations	2014 €	2013 €
Operating profit	874,807	998,228
Depreciation charge	129,044	160,354
Loss on disposal of tangible fixed assets	66	12,080
(Decrease) in fair value of Derivative financial instruments	-	(17,087)
Decrease/ (Increase) in debtors	654,405	(1,184,368)
Increase in creditors	1,537,289	42,692
Total net cash inflow from operating activities	3,195,611	11,899

### 16 Reconciliation of net cash flow to movement in net funds / (debt)

	Note	2014 €	2013 €
Increase/ (Decrease) in net cash	17	180,754	(212,991)
Decrease/ (Increase) in borrowings	17	1,985,000	(1,085,000)
Movement in net debt		2,165,754	(1,297,991)
Net debt at 1 January	17	(1,956,393)	(658,402)
Net funds / (debt) at 31 December	17	209,361	(1,956,393)

### 17 Analysis of changes in net funds

	At 1 January 2014 €	Cash flow €	At 31 December 2014 €
Cash at bank and in hand	28,607	180,754	209,361
Borrowings	(1,985,000)	1,985,000	0
Total	(1,956,393)	2,165,754	209,361

### 18 Financial commitments

At 31 December 2014 the company had annual commitments under operating leases of land and buildings expiring as follows:

	2014 €	2013 €
Within two to five years	330,547	301,879

## HAVI Global Solutions Europe Limited

(Registered number: 05319761)

### Notes to the financial statements for the year ended 31 December 2014 (continued)

#### 19 Related party transactions

During the year ended 31 December 2014, the company purchased management services for €2,262,406 (2013: €2,861,764) from fellow subsidiaries of the ultimate parent company, HAVI Group LP, which are not part of the HAVI Global Solutions Europe GmbH group. The payable outstanding as at 31 December 2014 was €309,104 (2013: €183,940).

During the year ended 31 December 2014, the company made sales of €7,741,013 (2013: €4,287,108) to fellow subsidiaries of the ultimate parent company, HAVI Group LP, which are not part of the HAVI Global Solutions Europe GmbH group. The receivable outstanding as at 31 December 2014 was €873,987 (2013: €354,045).

#### 20 Pension commitments

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to €105,178 (2013: €104,849) for the year. There were no amounts receivable or payable at the year-end.

#### 21 Equity dividend

	2014 €	2013 €
Final dividends paid in respect of 2013 €730.23 (2013: €907.996) per £1 share	730,230	907,996

In the shareholders meeting on 27 October 2014 it was resolved to pay a final dividend of €907,996 (€907.996 per share) in respect of 2013. The dividend was paid and recorded in the financial year 2014.

#### 22 Ultimate parent undertaking and controlling party

The immediate parent undertaking, which is also the parent undertaking of the smallest group to consolidate these financial statements is HAVI Global Solutions Europe GmbH. Copies of HAVI Global Solutions Europe GmbH's consolidated financial statements can be obtained from Schifferstrasse 166, 47059 Duisburg, Germany.

The ultimate parent undertaking, which prepares group financial statements for the largest group of undertakings of which the company is a member, is HAVI Group LP, incorporated in the United States. HAVI Group LP does not publish its consolidated financial statements.

On 1 January 2015 ultimate control was passed from Theodore F. Perlman to Russell P. Smyth and the Directors regard Russell P. Smyth as the ultimate controlling party through his controlling interest in HAVI Group LP.