

Panini UK Limited

Annual Report and Financial Statements

31 December 2016

Registered Number 01275893

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Panini UK Limited

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Panini UK Limited

Strategic report

Review of the business

Panini UK is a publisher of collectable products and magazines. It is also a licensing entity for the wider Panini group.

Turnover increased in 2016 to £55,726,889 (2015: £29,934,419) as 2016 includes turnover from Euro Football related products. Operating profit was positively affected by exchange gains, and this has been discussed in the Financial Risk Management report. This resulted in an operating profit of £11,612,699 (2015 operating loss: £1,690,770).

Significant investment has been made in acquiring licenses for future products. This has increased the accruals (invoices are yet to be received). However, prepayments (licenses to be used) have decreased as a result of the utilisation of prepayments relating to licenses for Euro 2016.

Key performance indicators

In 2016 Panini UK generated a Profit for the financial year attributable to the equity shareholders of the company of £9,749,045 (2015 net loss: £1,590,401) after exchange gains of £6,077,085 (2015 exchange loss: £2,442,195).

Principal risks and uncertainties

The company's performance is largely dependent upon the quality and availability of sport and entertainment licences and the retention of key senior employees. Exposure to foreign exchange movements provides a principal risk due to inter group trading.

The decision made by the UK electorate in June 2016 to leave the EU will eventually impact on the company, but at this time the effects are impossible to predict. The company will follow the UK/EU negotiations on this matter carefully. These negotiations will take at least 2 years to finalise under the terms of the Lisbon treaty.

Further risk details can be found in the Directors' report.

Financial support

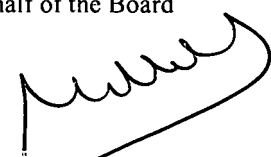

The company benefits from the availability of group finance, from its parent company Panini SpA.

Future developments

The directors are confident that the company will increase its profitability due to the strength of the licences currently held. The development of the new Partwork range of products shows long term growth in the future.

Approved by the Board of Directors
and signed on behalf of the Board

M.T Riddell
Director



2017

Panini UK Limited

Directors' report

Going concern

The directors have considered the current position of the company. At 31 December 2016 the company has net cash of £3,047,060 (2015: £1,958,370) and net current assets of £64,552,766 (2015: £52,498,686). The directors have prepared a trading forecast to September 2018. After making these enquiries the directors have a reasonable expectation that the company has adequate financial resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements.

Financial risk management objectives and policies

The company's activities expose it to financial risk including credit risk, cash flow risk, liquidity risk, price risk and foreign exchange risk. The impact of Brexit is still being assessed. The company does not use derivative financial instruments.

Credit risk

There is a credit risk on the company's trade debtors. The trade debtors are mostly owed by one customer with whom the company has a long-standing relationship. A provision is made for doubtful debts and for sales returns. The company has established systems to monitor the on-going accuracy of these provisions. Prepayments and accrued income include minimum guarantees paid under licensing contracts. The recoverability of these is dependent upon the success of future collections.

Cash flow risk

The company's expenditure and income is primarily sterling denominated. The company is not significantly exposed to interest rate risk.

Liquidity risk

Liquidity is managed by the parent group and the company is reliant upon their continued support to ensure adequate liquidity.

Foreign exchange risk

The company faces exposure to foreign exchange rate movements due to international trading in Euro, Brazilian real, Mexican Peso, Swiss Franc and US Dollar.

Dividends

No dividend is recommended for the year (2015 - £nil).

Directors

The directors who served throughout the year are shown below:

M.T. Riddell
A.H. Sallustro
J.P. Harris

Director's indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report.

Company Secretary

P. Dobson

Directors' report (continued)

Independent auditor and statement of provision of information to the independent auditor

Each person who is a director 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 auditor is unaware; and
- The director 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 auditor is aware of that information.

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

Deloitte LLP have expressed their willingness to continue in office as the company's auditor and appropriate arrangements are being made for them to be reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board and signed on its behalf by:

M.T Riddell
Director



26/9

2017

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed; and
- 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 Panini UK Limited

We have audited the financial statements of Panini UK Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income incorporating the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity and the related notes 1 to 21. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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 auditor

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

Scope of the audit of the financial statements

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

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

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

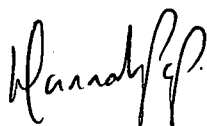
- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Hannah Pop FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
Crawley, United Kingdom 26/9/2017

Panini UK Limited

Statement of Comprehensive Income incorporating the Profit and Loss Account For the year ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	55,726,889	29,934,419
Cost of sales		<u>(40,753,029)</u>	<u>(28,192,599)</u>
Gross profit		14,973,860	1,741,820
Administrative expenses		<u>(3,361,161)</u>	<u>(3,432,590)</u>
Operating profit / (loss)		11,612,699	(1,690,770)
Finance costs (net)	4	<u>(329,692)</u>	<u>(349,632)</u>
Profit / (loss) before taxation	5	11,283,007	(2,040,402)
Tax (charge) / credit on profit on ordinary activities	9	<u>(1,533,962)</u>	<u>450,001</u>
Profit / (loss) for the financial year attributable to the equity shareholders of the Company		<u><u>9,749,045</u></u>	<u><u>(1,590,401)</u></u>

All activities derive from continuing operations.

There are no items of other comprehensive income in either the current or preceding financial year other than as shown in the profit and loss account.

Panini UK Limited

Balance Sheet At 31 December 2016

	Note	2016 £	2015 £
Fixed assets			
Investment	10	200	-
Tangible assets	11	17,425	29,865
		<u>17,625</u>	<u>29,865</u>
Current assets			
Stocks	12	1,531,269	847,375
Debtors			
-due within one year	13	42,189,706	40,644,196
-due after one year	14	36,178,805	36,836,896
Cash at bank and in hand		3,047,060	1,958,370
		<u>82,946,840</u>	<u>80,286,837</u>
Creditors – amounts falling due within one year	15	<u>(18,394,074)</u>	<u>(27,788,151)</u>
Net current assets		<u>64,552,766</u>	<u>52,498,686</u>
Total assets less current liabilities		64,570,391	52,528,551
Creditors – amounts falling due after more than one year	16	<u>(34,375,990)</u>	<u>(32,083,195)</u>
Net assets		<u><u>30,194,401</u></u>	<u><u>20,445,356</u></u>
Capital and reserves			
Called up share capital	17	13,672,039	13,672,039
Profit and loss account	18	16,522,362	6,773,317
Equity		<u><u>30,194,401</u></u>	<u><u>20,445,356</u></u>

These financial statements of Panini UK Limited, company registration no. 01275893, were approved by the Board of Directors and authorised for issue on 26/9 2017.

Signed on behalf of the Board of Directors

M Riddell
Director



Panini UK Limited

Statement of Changes in Equity Year ended 31 December 2016

	Called-up share capital £	Profit and loss account £	Total £
At 1 January 2015	13,672,039	8,363,718	22,035,757
Loss for the financial year 2015	-	(1,590,401)	(1,590,401)
At 1 January 2016	13,672,039	6,773,317	20,445,356
Profit for the financial year 2016	-	9,749,045	9,749,045
At 31 December 2016	13,672,039	16,522,362	30,194,401

Panini UK Limited

Notes to the financial statements Year ended 31 December 2016

1. Accounting policies

The principal accounting policies are summarised below. They have all been applied consistently throughout the current and preceding year.

a. General information and basis of accounting

Panini UK Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is Brockbourne House, 77 Mount Ephraim, Tunbridge Wells, Kent, TN4 8BS. The Company's principal activities are the publication and sale of magazines and collectable products.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Panini UK Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Panini UK Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Panini UK Limited is consolidated in the financial statements of its parent, Panini SpA, which may be obtained from Panini SpA, Viale Emilio PO, 380- 41126 Modena, Italy. Exemptions have been taken in these separate Company financial statements in relation to financial instruments, presentation of a cash flow statement, related party transactions and remuneration of key management personnel.

b. Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The directors' report further describes the financial position of the Company; its cash flows, liquidity and its exposure to credit risk and liquidity risk.

The current economic conditions create uncertainty particularly over (a) the level of demand for the Company's products; (b) the exchange rate between sterling and Euro and thus the consequence for the cost of the Company's stock; and (c) the availability of group finance from the parent company (Panini SpA).

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

c. Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided on all tangible fixed assets, of each asset on a straight-line basis over its expected useful life, as follows:

Office Equipment 3 years / 33.33% per annum

d. Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Notes to the financial statements (continued)
Year ended 31 December 2016

1. Accounting policies (continued)

Taxation (continued)

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

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

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

e. Turnover

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of publishing and collectable products is predominantly on a "sale or return" basis. Thus the customer has the right to return any unsold goods, within a reasonable period of time, after off sale date. Revenue is recognised net of a returns provision. Royalty income is recognised in line with 3rd party sales.

f. Foreign currency

Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date.

Exchange differences are recognised in profit or loss in the period in which they arise except for Exchange differences arising on gains or losses on non-monetary items which are recognised in other Comprehensive Income:

g. Leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

h. Investments

Investments in non-convertible preference shares and non-puttable ordinary or preference shares are measured at fair value through profit or loss. Where fair value cannot be measured reliably, investments are measured at cost less impairment.

Investments in subsidiaries and associates are measured at cost less impairment. For investments in subsidiaries acquired for consideration including the issue of shares qualifying for merger relief, cost is measured by reference to the nominal value of the shares issued plus fair value of other consideration. Any premium is ignored.

i. Employee Benefits

The Company holds a defined contribution scheme for its employees. The amount charged to the profit and loss account in respect of pension costs and other retirement benefits 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 in the balance sheet.

Notes to the financial statements (continued)
Year ended 31 December 2016

2. Critical accounting judgements made and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Carrying value of minimum guarantees:

Panini record minimum guarantees on licenses on the balance sheet. In order to support the carrying value of these licenses management must consider forecast future sales products. This is an area of judgement and managements' forecasts may differ to what transpires.

The forecasted future sales of products support the carrying values of licenses held on the balance sheet.

Key source of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Returns Provision:

Management estimate the returns provision at the balance sheet date, based on historical experience and trends. The key judgement is around the volume of products that will be returned by customers, where a sale has been made on a sale or return basis.

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

3. Turnover and revenue

Turnover can be attributed to the following product divisions

	2016 £	2015 £
Collectables and publishing	33,590,896	17,581,724
Licensing	22,135,993	12,352,695
	<u>55,726,889</u>	<u>29,934,419</u>

Panini UK Limited

Notes to the financial statements (continued) Year ended 31 December 2016

4. Finance costs (net)

	2016 £	2015 £
<i>Interest Payable and similar expenses</i>		
Bank loans and interest payable	3,692	59,168
Interest payable on Group undertakings	404,158	343,755
	<u>407,850</u>	<u>402,923</u>
<i>Investment income</i>		
Bank loans interest receivable	(107)	(381)
Interest receivable on Group undertakings	(78,051)	(52,910)
	<u>(78,158)</u>	<u>(53,291)</u>
Finance Costs (net)	<u>329,692</u>	<u>349,632</u>

Panini UK Limited

Notes to the financial statements (continued) Year ended 31 December 2016

5. Profit on ordinary activities before taxation

	2016 £	2015 £
Profit before taxation is stated after charging:		
Depreciation of tangible fixed assets (note 11)	14,620	29,060
Operating lease rentals	157,461	192,115
Foreign exchange (gain) / loss	(6,077,085)	2,442,195

6. Auditor's remuneration

Fees payable to Deloitte and their associates for the audit of the company's annual accounts were £40,000 (2015: £41,500). Fees payable to Deloitte and their associates for non-audit services were £16,500 (2015: £11,750)

7. Staff numbers and costs

The average monthly number of employees (including executive directors) was:

	2016 Number	2015 Number
Editorial and Production	24	26
Marketing	6	7
Administration	7	7
	<u>37</u>	<u>40</u>

Their aggregate remuneration comprised:

	2016 £	2015 £
Wages and salaries	1,927,948	1,613,532
Social security costs	206,368	149,150
Pension costs (note 20)	90,483	86,676
	<u>2,224,799</u>	<u>1,849,357</u>

8. Directors' remuneration and transactions

	2016 £	2015 £
Directors' remuneration		
Emoluments	451,825	305,063
Company contributions to money purchase pension schemes	21,875	24,814
	<u>473,700</u>	<u>329,877</u>

Panini UK Limited

Notes to the financial statements (continued) Year ended 31 December 2016

9. Tax on profit on ordinary activities

	2016 £	2015 £
The tax charge comprises:		
Current tax on profit on ordinary activities		
UK corporation tax	2,245,847	-
Adjustment in respect of previous periods	(739,325)	(462,522)
Total current tax	<u>1,506,522</u>	<u>(462,522)</u>
Deferred tax		
Timing differences, origination and reversal of timing	13,429	23,645
Adjustment in respect of previous periods	-	(10,836)
Effect of change in tax rates	14,011	(288)
Total deferred tax	<u>27,440</u>	<u>12,521</u>
Total tax on profit on ordinary activities	<u>1,533,962</u>	<u>(450,001)</u>

The standard rate of tax applied to reported profit on ordinary activities is 20% (2015: 20.25%).

The Finance (No 2) Act 2015, which provides for reductions in the main rate of corporation tax from 20% to 19% effective from 1 April 2017 and to 18% effective from 1 April 2020, was substantively enacted on 26 October 2015. Subsequently, the Finance Act 2016, which provides for a further reduction in the main rate of corporation tax to 17% effective from 1 April 2020, was substantively enacted on 6 September 2016. These rate reductions have been reflected in the calculation of deferred tax at the balance sheet date.

During the year ended 31 December 2016, the net movement of deferred tax assets and liabilities, and the adjustment of prior year tax charges is expected to affect the corporation tax. Further reconciliation of the effect of these movements on the total tax charge given in these financial statements can be found below.

The difference between the total tax charge shown above and the amount calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2016 £	2015 £
Profit / (Loss) for the period – continuing operations	<u>11,283,007</u>	<u>(2,040,402)</u>
Tax on profit on ordinary activities at standard UK corporation tax rate of 20% per cent (2015: 20.25 %)	2,256,601	(413,112)
Effects of:		
- Expenses not deductible for tax purposes	2,675	1,062
- Effects of loss relief claimed	-	435,696
- Adjustment in respect of prior periods	(739,325)	(473,358)
- Tax rate change	14,011	(289)
Total tax charge for period	<u>1,533,962</u>	<u>(450,001)</u>

Adjustment in respect of prior periods relates to tax receivable from HMRC, in respect of the resubmitted tax computation

Panini UK Limited

Notes to the financial statements (continued) Year ended 31 December 2016

10. Investment	2016 £	2015 £
Direct holdings		
Cost and net book value in subsidiary PDTC Ltd	200	-
	<u>200</u>	<u>-</u>
11. Tangible fixed assets		Office Equipment £
At 1 January 2016		364,485
Additions		2,180
Disposals		(28,172)
At 31 December 2016		<u>338,493</u>
Amortisation		
At 1 January 2016		334,620
Charge for the year		14,620
Eliminated on disposal		(28,172)
At 31 December 2016		<u>321,068</u>
Net book value		
At 31 December 2015		<u>29,865</u>
At 31 December 2016		<u>17,425</u>
12. Stocks	2016 £	2015 £
Work in progress	101,320	75,167
Goods for resale	1,429,949	772,208
	<u>1,531,269</u>	<u>847,375</u>
13. Debtors	2016 £	2015 £
Amounts falling due within one year:		
Trade debtors	8,672,833	7,404,508
Amounts owed by group undertakings	23,342,745	19,606,771
Other debtors	2,475	2,152
Prepayments and accrued income	10,092,255	13,061,404
Corporation tax	-	462,522
Deferred tax asset	79,398	106,839
	<u>42,189,706</u>	<u>40,644,196</u>

Panini UK Limited

Notes to the financial statements (continued) Year ended 31 December 2016

14. Amounts falling due after more than one year:

	2016 £	2015 £
Prepayments	36,178,805	36,836,896

15. Creditors: amounts falling due within one year

	2016 £	2015 £
Trade creditors	2,790,079	3,754,379
Amounts owed to group undertakings	5,989,291	12,060,158
Corporation tax	545,999	-
Other taxation and social security	566,442	1,380,723
Accruals and deferred income	8,502,263	10,592,891
	18,394,074	27,788,151

16. Creditors: amounts falling due in more than one year

	2016 £	2015 £
Accruals and deferred income	34,375,990	32,083,195

17. Called-up share capital and reserves

	2016 £	2015 £
Allotted, called-up and fully-paid 13,672,039 ordinary shares of £1.00 each	13,672,039	13,672,039

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

18. The Company's other reserves are as follows:

	2016 £	2015 £
Profit and loss account	16,522,362	6,773,317

The profit and loss reserve represents cumulative profits or losses, net of dividends paid and other adjustments.

Panini UK Limited

Notes to the financial statements (continued) Year ended 31 December 2016

19. Financial commitments

Total minimum lease commitments under non-cancellable operating leases are as follows:

	2016		2015	
	Buildings £	Other £	Buildings £	Other £
- less than one year	129,202	6,720	129,202	9,108
- between two and five years	29,206	4,228	158,582	10,973
	<u>158,408</u>	<u>10,948</u>	<u>287,784</u>	<u>20,081</u>

20. Employee Benefits

Defined contribution schemes

The Company operates defined contribution retirement benefit schemes for all qualifying employees of Panini UK. The total expense charged to profit or loss in the year ended 31 December 2016 was £90,483 (2015: £86,676).

21. Ultimate parent undertaking and controlling party

Panini UK limited is a wholly owned subsidiary of Panini Ireland Limited, the immediate parent company.

Panini SpA is the parent of the smallest group within which the results of Panini UK Limited are consolidated. Copies of these consolidated financial statements may be obtained from Panini SpA, Viale Emilio PO 380 – 41126 Modena, Italy.

The ultimate parent undertaking and controlling entity is ID4 Investments Srl, a company incorporated in Italy, which is the largest group for which the consolidated accounts are prepared. Copies of the companies' financial statements may also be obtained from Viale Emilio PO 380- 41100, Modena, Italy.