

Company Registration No. 02646013 (England and Wales)

**STRAUMANN LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**



# **STRAUMANN LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	Dr A Meier Mr P Hackel Mr J Dexheimer
<b>Secretary</b>	Hexagon TDS Limited
<b>Company number</b>	02646013
<b>Registered office</b>	10 Finsbury Square London EC2A 1AF
<b>Auditor</b>	Knill James One Bell Lane Lewes East Sussex BN7 1JU
<b>Business address</b>	3 Pegasus Place Gatwick Road Crawley West Sussex RH10 9AY
<b>Bankers</b>	National Westminster Bank plc PO Box No. 170 126 High Holborn London WC1V 6QA

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# **STRAUMANN LIMITED**

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# **STRAUMANN LIMITED**

## **STRATEGIC REPORT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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The directors present the strategic report for the year ended 31 December 2017.

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

The principal activity of the company is the import and distribution of dental implants with an expanding portfolio into digital dentistry mainly CAD/CAM and regenerative products within the surgical and periodontal markets.

During the year the company's turnover increased year on year by 18%. The directors are pleased with this performance.

### **Principal risks and uncertainties**

As Straumann Limited has no bank borrowing and is invoiced for product purchase in great British pounds, there is no significant exposure to either interest rates or currency fluctuations.

### **Key performance indicators**

The directors consider the key financial performance indicator of the business to be turnover which increased in 2017 compared to the prior year.

On behalf of the board



Mr P Hackel

Director

25/6/2018

# **STRAUMANN LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report and financial statements for the year ended 31 December 2017.

#### **Principal activities**

The principal activity of the company is the import and distribution of dental implants with an expanding portfolio into digital dentistry mainly CAD/CAM and regenerative products within the surgical and periodontal markets.

#### **Directors**

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

Dr A Meier  
Mr P Hackel  
Mr J Dexheimer

#### **Results and dividends**

The results for the year are set out on page 7.

The directors propose a final dividend of £320,000 for the year ended 31 December 2017 (2016 - £320,000).

#### **Supplier payment policy**

The company's current policy concerning the payment of trade creditors is to follow the CBI's Prompt Payers Code (copies are available from the CBI, Centre Point, 103 New Oxford Street, London WC1A 1DU).

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

Trade creditors of the company at the year end were equivalent to 17 day's purchases, based on the average daily amount invoiced by suppliers during the year.

#### **Research and development**

Research and Development activities are all carried out by the parent company on a Group level.

#### **Future developments**

The UK remains one of the least penetrated implant markets in Europe. We remain positive about the growth potential.

The business of Intradent Limited is planned to be merged into Straumann Limited as from 7th May 2018.

#### **Auditor**

The auditor, Knill James, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

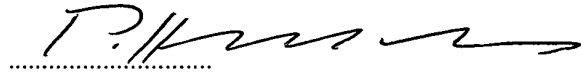
# **STRAUMANN LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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On behalf of the board



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Mr P Hackel

Director

Date: 25/06/2018

# **STRAUMANN LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2017***

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

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

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

# **STRAUMANN LIMITED**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBER OF STRAUMANN LIMITED**

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#### **Opinion**

We have audited the financial statements of Straumann Limited (the 'company') for the year ended 31 December 2017 set out on pages 7 to 21. 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).

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.

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;
- 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.



# STRAUMANN LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF STRAUMANN LIMITED

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#### Opinions on other matters prescribed by the Companies Act 2006

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

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

#### 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 Strategic Report and the Directors' Report.

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.

#### 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.

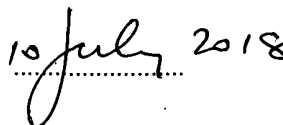
#### Auditor's responsibilities for the audit of the financial statements

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.

  
J. Christopher Ketley FCA (Senior Statutory Auditor)  
for and on behalf of Knill James

Chartered Accountants  
Statutory Auditor

 10 July 2018

One Bell Lane  
Lewes  
East Sussex  
BN7 1JU

# STRAUMANN LIMITED

## STATEMENT OF TOTAL COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017 £	2016 £
Turnover	3	20,343,057	17,258,825
Cost of sales		(11,914,388)	(10,269,164)
<b>Gross profit</b>		<b>8,428,669</b>	<b>6,989,661</b>
Administrative expenses		(8,000,388)	(6,676,131)
Other operating income	3	147,117	142,589
<b>Operating profit</b>	4	<b>575,398</b>	<b>456,119</b>
Interest receivable and similar income	6	115	395
Interest payable and similar expenses	7	(37,563)	(39,913)
<b>Profit before taxation</b>		<b>537,950</b>	<b>416,601</b>
Tax on profit	8	(128,002)	(97,051)
<b>Profit for the financial year</b>	19	<b>409,948</b>	<b>319,550</b>

The Income Statement has been prepared on the basis that all operations are continuing operations.

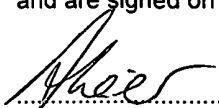
# STRAUMANN LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2017

	Notes	2017 £	£	2016 £	£
<b>Fixed assets</b>					
Tangible assets	11		532,433		356,692
<b>Current assets</b>					
Stocks	12	1,729,917		1,561,307	
Debtors	13	5,440,563		3,779,521	
Cash at bank and in hand		823,328		560,584	
		<u>7,993,808</u>		<u>5,901,412</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(7,591,387)</u>		<u>(5,427,932)</u>	
<b>Net current assets</b>			402,421		473,480
<b>Total assets less current liabilities</b>			<u>934,854</u>		<u>830,172</u>
<b>Provisions for liabilities</b>	15		<u>(32,244)</u>		<u>(17,510)</u>
<b>Net assets</b>			<u>902,610</u>		<u>812,662</u>
<b>Capital and reserves</b>					
Called up share capital	18		300,000		300,000
Profit and loss reserves	19		602,610		512,662
<b>Total equity</b>			<u>902,610</u>		<u>812,662</u>

The financial statements were approved by the board of directors and authorised for issue on 25/06/2018 and are signed on its behalf by:



Dr A Meier  
Director



Mr P Hackel  
Director

Company Registration No. 02646013

# STRAUMANN LIMITED

## STATEMENT OF CHANGES IN EQUITY

**FOR THE YEAR ENDED 31 DECEMBER 2017**

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	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2016		300,000	513,112	813,112
		<hr/>	<hr/>	<hr/>
Profit and total comprehensive income for the year		-	319,550	319,550
Dividends	9	-	(320,000)	(320,000)
		<hr/>	<hr/>	<hr/>
Balance at 31 December 2016		300,000	512,662	812,662
		<hr/>	<hr/>	<hr/>
Profit and total comprehensive income for the year		-	409,948	409,948
Dividends	9	-	(320,000)	(320,000)
		<hr/>	<hr/>	<hr/>
Balance at 31 December 2017		300,000	602,610	902,610
		<hr/>	<hr/>	<hr/>

# **STRAUMANN LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

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### **1 Accounting policies**

#### **Company information**

Straumann Limited is a private company limited by shares incorporated in England and Wales. The registered office is 10 Finsbury Square, London, EC2A 1AF. The trading address of the company is 3 Pegasus Place, Gatwick Road, Crawley, West Sussex, RH10 9AY.

#### **1.1 Accounting convention**

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements.

The financial statements of the company are consolidated in the financial statements of Straumann Holding AG. These consolidated financial statements are available from its registered office, Peter-Merian Weg 12, CH-4437 Basel, Switzerland.

#### **1.2 Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **1.3 Turnover**

Turnover represents the invoiced value of goods sold and services rendered net of VAT and trade discounts. Income from the supply of goods is recognised as soon as all substantial rights and risks relating to title of the goods are transferred to the customer.

# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 1 Accounting policies

(Continued)

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Over 20 years
Fixtures, fittings & equipment	Over 10 years and 20% and 33% per annum
Computer equipment	33% per annum straight line
Motor vehicles	33% per annum straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

#### 1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.8 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### **Basic financial assets**

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

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

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

##### **Impairment of financial assets**

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

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#### 1 Accounting policies

(Continued)

##### ***Derecognition of financial assets***

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### ***Classification of financial liabilities***

Financial liabilities and equity instruments are classified 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.

##### ***Basic financial liabilities***

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### ***Derecognition of financial liabilities***

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

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

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

##### ***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.



# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

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### 1 Accounting policies

(Continued)

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the income statement, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### **1.12 Retirement benefits**

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

#### **1.13 Leases**

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

Rental income from operating leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

#### **1.14 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

#### Critical judgements

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

#### Impairment of non-financial assets

The company assess whether there are any indicators of impairment for all non-financial assets at each reporting date. Other non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

#### 3 Turnover

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

	2017 £	2016 £
<b>Turnover</b>		
Sale of goods	20,343,057	17,258,825
<b>Other revenue</b>		
Interest income	115	395
Rent received	147,117	142,589

The total turnover of the company for the year has been derived from its principal activity undertaken in the United Kingdom and Republic of Ireland.

#### 4 Operating profit

	2017 £	2016 £
<b>Operating profit for the year is stated after charging/(crediting):</b>		
Exchange losses/(gains)	34,893	(7,413)
Fees payable to the company's auditors for the audit of the company's annual accounts	15,495	14,925
Depreciation of owned tangible fixed assets	201,318	137,772
Operating lease charges	361,573	356,676

# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

### 5 Employees

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

	2017 Number	2016 Number
Selling and administration	67	60

Their aggregate remuneration comprised:

	2017 £	2016 £
Wages and salaries	3,687,046	3,195,882
Social security costs	423,055	396,438
Pension costs	90,870	84,290
	<u>4,200,971</u>	<u>3,676,610</u>

Redundancy payments of £nil (2016 - £25,468) were made in the year and are included within wages and salaries.

### 6 Interest receivable and similar income

	2017 £	2016 £
Interest income		
Interest on bank deposits	115	395

### 7 Interest payable and similar expenses

	2017 £	2016 £
Interest payable to group undertakings	37,563	39,913

### 8 Taxation

	2017 £	2016 £
Current tax		
UK corporation tax on profits for the current period	113,268	69,933
Deferred tax		
Origination and reversal of timing differences	14,734	27,118
Total tax charge	<u>128,002</u>	<u>97,051</u>

# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 8 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2017 £	2016 £
Profit before taxation	537,950	416,601
Expected tax charge based on the standard rate of corporation tax in the UK of 19.25% (2016: 20.00%)	103,537	83,320
Tax effect of expenses that are not deductible in determining taxable profit	20,972	7,009
Permanent capital allowances in excess of depreciation	(49,988)	(47,893)
Depreciation on assets not qualifying for tax allowances	38,747	27,554
Other permanent differences	-	(57)
Deferred tax movement	14,734	27,118
Taxation charge for the year	128,002	97,051

#### 9 Dividends

	2017 £	2016 £
Final paid	320,000	320,000

#### 10 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 January 2017 and 31 December 2017	114,741
<b>Amortisation and impairment</b>	
At 1 January 2017 and 31 December 2017	114,741
<b>Carrying amount</b>	
At 31 December 2017	-
At 31 December 2016	-

# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2017

#### 11 Tangible fixed assets

	Land and buildings Leasehold	Fixtures, fittings & equipment	Computer equipment	Motor vehicles	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2017	60,883	1,272,556	356,403	-	1,689,842
Additions	-	294,290	55,774	26,995	377,059
At 31 December 2017	60,883	1,566,846	412,177	26,995	2,066,901
<b>Depreciation and impairment</b>					
At 1 January 2017	32,130	1,029,977	271,043	-	1,333,150
Depreciation charged in the year	3,101	147,269	49,448	1,500	201,318
At 31 December 2017	35,231	1,177,246	320,491	1,500	1,534,468
<b>Carrying amount</b>					
At 31 December 2017	25,652	389,600	91,686	25,495	532,433
At 31 December 2016	28,753	242,579	85,360	-	356,692

#### 12 Stocks

	2017 £	2016 £
Finished goods and goods for resale	1,729,917	1,561,307

The difference between purchase price or production cost of stocks and their replacement cost is not material.

Stock recognised in cost of sales during the year as an expense was £11,526,423 (2016: £10,330,790).

#### 13 Debtors

	Due within one year		Due after one year	
	2017 £	2016 £	2017 £	2016 £
Trade debtors	4,743,437	3,366,261	-	-
Loans and other receivables	24,744	22,984	222,400	221,000
Amounts due from fellow group undertakings	157,813	6,939	-	-
Prepayments and accrued income	292,169	162,337	-	-
	5,218,163	3,558,521	222,400	221,000

# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 14 Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	550,517	374,314
Amounts due to group undertakings	4,999,273	3,335,775
Corporation tax	103,338	1,179
Other taxation and social security	700,436	571,317
Other creditors	162,723	188,496
Accruals and deferred income	1,075,100	956,851
	<u>7,591,387</u>	<u>5,427,932</u>

### 15 Provisions for liabilities

	Notes	2017 £	2016 £
Deferred tax liabilities	16	<u>32,244</u>	<u>17,510</u>

### 16 Deferred taxation

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

	Liabilities 2017 £	Liabilities 2016 £
<b>Balances:</b>		
ACAs	44,594	30,023
Credit note provision	(12,350)	(12,513)
	<u>32,244</u>	<u>17,510</u>

#### Movements in the year:

	2017 £
Liability at 1 January 2017	17,510
Charge to profit or loss	14,734
Liability at 31 December 2017	<u>32,244</u>

# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 17 Retirement benefit schemes

	2017	2016
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	90,870	84,290

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

### 18 Share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
300 Ordinary shares of £1000 each	300,000	300,000
	300,000	300,000

The shares have attached to them full voting, dividend and capital distribution rights (including on winding up); they do not confer any rights of redemption.

### 19 Profit and loss reserves

The profit and loss account represents cumulative profits and losses net of dividends and other adjustments.

### 20 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2017	2016
	£	£
Aggregate compensation	1,329,398	1,128,923

No guarantees have been given or received.

The company has taken advantage of the exemption in Financial Reporting Standard 102 section 33 from the requirement to disclose transactions with group companies on the grounds that consolidated financial statements are prepared by the ultimate parent company.

# STRAUMANN LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2017

### 21 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2017 £	2016 £
Within one year	551,028	551,511
Between two and five years	1,207,772	1,225,847
	<u>1,758,800</u>	<u>1,777,358</u>

### 22 Controlling party

The immediate parent company is Straumann Holding AG, a company registered in Switzerland; the directors also consider Straumann Holding AG to be the ultimate parent company.

Straumann Holding AG prepares group financial statements and copies can be obtained from Straumann Holding AG, Peter-Merian Weg 12, CH-4437 Basel, Switzerland.