

Registered number: 04266100

**PAPIER-METTLER UK LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
31 DECEMBER 2017**



PAPIER-METTLER UK LIMITED

CONTENTS

	Page
Company information	1
Directors' report	2
Strategic report	3 - 4
Directors' responsibilities statement	5
Independent auditor's report	6 - 8
Profit and loss account	9
Balance sheet	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 24

PAPIER-METTLER UK LIMITED

COMPANY INFORMATION

Directors	M Mettler K M Mettler
Registered number	04266100
Registered office	16 Great Queen Street Covent Garden London WC2B 5AH
Independent auditor	Blick Rothenberg Audit LLP Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

PAPIER-METTLER UK LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2017

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

Results and dividends

The profit for the year, after taxation, amounted to £3,984,125 (2016 - £5,342,784).

A dividend of £21,000,000 (2016: £Nil) was declared in the financial year and was paid on 24 April 2017.

Directors

The directors who served during the year were:

M Mettler
K M Mettler

Matters covered in the strategic report

As permitted by S414c(11) of the Companies Act 2006, the directors have elected to disclose information, required to be in the directors' report by Schedule 7 of the 'Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008', in the strategic report.

Disclosure of information to auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed 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 ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This report was approved by the board and signed on its behalf.

M Mettler
Director

Date: 25/04/2018

PAPIER-METTLER UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2017

Introduction

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

The principal activity of the company during the year was that of commission agents in connection with the sale of packaging products.

Business review and key performance indicators

The results for the year and the financial position at the year end are considered satisfactory by the directors who expect the company to remain profitable in 2018.

Turnover increased by 15% to £77,816,576 (2016: £67,665,249). The reported gross profit margin has remained stable at 8.6% (2016: 9.4%) which is consistent with directors' expectations. Profit before taxation has decreased from £6,682,258 in 2016 to £4,957,678 in 2017 as the prior year result benefitted from foreign exchange gains of £1,912,274 (2017: foreign exchange losses of £10,928).

Stocks held at 31 December 2017 amounted to £1,915,830 (2016: £1,595,280). Stock levels are monitored by management on an ongoing basis in order to satisfy required lead times of certain customers' orders.

As at 31 December 2017 trade debtors were £17,899,835 (2016: £16,940,076). Trade debtor recovery remains steady around the company's established credit term period.

During the year a dividend of £21million was declared and paid.

Notwithstanding the above, the company continues to maintain a very strong balance sheet position with net assets at 31 December 2017 being £12,420,753

The directors view the future positively despite ongoing global and economic uncertainties.

Principal risks and uncertainties

The directors consider that the principal operating risk facing the company is competition from new and existing suppliers.

The company manages its credit risk by establishing credit limits and monitoring receivable balances on an ongoing basis. Provision is made for doubtful debts where necessary.

The company buys a significant proportion of its purchases in foreign currencies and is exposed to exchange rate fluctuations. Exchange risk is mitigated where possible by matching Euro denominated liabilities with Euro receipts from customers.

PAPIER-METTLER UK LIMITED

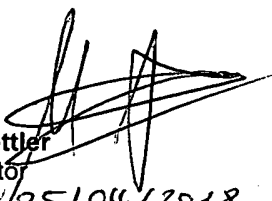
STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2017

Other key performance indicators

The directors are committed to promoting the health, safety and welfare of their staff and continue to ensure appropriate measures are undertaken in this regard.

The directors are mindful of environmental issues and have sought to minimise the impact of the company's activities on the environment by successfully developing packaging products manufactured from recycled materials which are available to all customers.

This report was approved by the board and signed on its behalf.


M Mettler
Director
Date: 25/04/2018

PAPIER-METTLER UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2017

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 elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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, 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 to 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.

PAPIER-METTLER UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAPIER-METTLER UK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2017

Opinion

We have audited the financial statements of Papier-Mettler UK Limited (the 'company') for the year ended 31 December 2017, which comprise the profit and loss account, the balance sheet, the statement of changes in equity, the statement of cash flows and the notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- 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 United Kingdom, including the Financial Reporting Council'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.

PAPIER-METTLER UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAPIER-METTLER UK LIMITED (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 or the directors' report.

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

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

PAPIER-METTLER UK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PAPIER-METTLER UK LIMITED (continued) FOR THE YEAR ENDED 31 DECEMBER 2017

Responsibilities of directors

As explained more fully in the directors' responsibilities statement on page 5, 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.

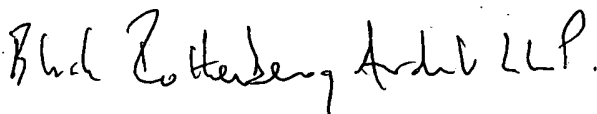
Auditor's responsibilities for the audit of the financial statements

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

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



Christopher Shepherd (senior statutory auditor)

for and on behalf of

Blick Rothenberg Audit LLP

Statutory Auditor

16 Great Queen Street
Covent Garden
London
WC2B 5AH

Date: 26 April 2018

PAPIER-METTLER UK LIMITED
PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	2017 £	2016 £
Turnover	3	77,816,576	67,665,249
Cost of sales		(71,109,642)	(61,270,805)
Gross profit		6,706,934	6,394,444
Administrative expenses		(1,769,561)	(1,703,605)
Operating profit	4	4,937,373	4,690,839
Interest receivable and similar income	6	31,233	1,991,419
Interest payable and similar expenses	7	(10,928)	-
Profit before taxation		4,957,678	6,682,258
Tax on profit	8	(973,553)	(1,339,474)
Profit for the financial year		3,984,125	5,342,784

There are no items of other comprehensive income for either the year or the prior year other than the profit for the year. Accordingly, no statement of other comprehensive income has been presented.

PAPIER-METTLER UK LIMITED

REGISTERED NUMBER:04266100

**BALANCE SHEET
AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	10	737,527	760,109
Current assets			
Stocks	11	1,915,830	1,595,280
Debtors: amounts falling due within one year	12	19,681,834	19,522,142
Cash at bank and in hand	13	4,163,486	12,770,511
		<u>25,761,150</u>	<u>33,887,933</u>
Creditors: amounts falling due within one year	14	(14,077,924)	(5,211,414)
Net current assets		<u>11,683,226</u>	<u>28,676,519</u>
Total assets less current liabilities		<u>12,420,753</u>	<u>29,436,628</u>
Net assets		<u>12,420,753</u>	<u>29,436,628</u>
Capital and reserves			
Called up share capital	17	30,000	30,000
Profit and loss account	16	12,390,753	29,406,628
Total equity		<u>12,420,753</u>	<u>29,436,628</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:


M Mettler
Director

Date: 25/04/2018

PAPIER-METTLER UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2017

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	30,000	24,063,844	24,093,844
Comprehensive income for the year			
Profit for the financial year	-	5,342,784	5,342,784
Total comprehensive income for the year	-	5,342,784	5,342,784
At 1 January 2017	30,000	29,406,628	29,436,628
Comprehensive income for the year			
Profit for the financial year	-	3,984,125	3,984,125
Total comprehensive income for the year	-	3,984,125	3,984,125
Dividends: Equity capital	-	(21,000,000)	(21,000,000)
Total transactions with owners	-	(21,000,000)	(21,000,000)
At 31 December 2017	30,000	12,390,753	12,420,753

PAPIER-METTLER UK LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2017

	2017 £	2016 £
Cash flows from operating activities		
Profit for the financial year	3,984,125	5,342,784
Adjustments for:		
Depreciation of tangible assets	55,939	56,385
Profit on disposal of tangible assets	(1,194)	(3,481)
Interest received	(31,233)	(79,145)
Taxation charge	973,553	1,339,474
(Increase)/decrease in stocks	(320,550)	728,315
Increase in debtors	(159,692)	(1,876,492)
Increase in creditors	9,020,244	(934,134)
Corporation tax paid	(1,127,287)	(1,186,146)
Net cash generated from operating activities	12,393,905	3,387,560
Cash flows from investing activities		
Purchase of tangible fixed assets	(37,509)	(78,958)
Sale of tangible fixed assets	5,346	6,583
Interest received	31,233	79,145
Net cash from investing activities	(930)	6,770
Cash flows from financing activities		
Dividends paid	(21,000,000)	-
Net cash used in financing activities	(21,000,000)	-
Net (decrease)/increase in cash and cash equivalents	(8,607,025)	3,394,330
Cash and cash equivalents at beginning of year	12,770,511	9,376,181
Cash and cash equivalents at the end of year	4,163,486	12,770,511
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	4,163,486	12,770,511
	4,163,486	12,770,511

PAPIER-METTLER UK LIMITED

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

1. General information

Papier-Mettler UK Limited's principal activity is that of a commission agent in connection with the sale of packaging products.

The company is a private company limited by shares and is incorporated in England. The address of its registered office is 16 Great Queen Street, Covent Garden, London, WC2B 5AH and its principal place of business is Unit 6 Gateway, 1000 Whittle Way, Stevenage, Hertfordshire, SG1 2FP.

The financial statements are presented in Sterling (£).

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland ('FRS 102') and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence and meet its liabilities as they fall due for the foreseeable future, being a period of at least twelve months from the date these financial statements were approved. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

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

PAPIER-METTLER UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.4 Tangible fixed assets

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

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Freehold buildings	- 25 years
Motor vehicles	- 7 years
Fixtures & fittings	- 3 - 10 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the profit and loss account.

2.5 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.6 Cash and cash equivalents

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

2.7 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

PAPIER-METTLER UK LIMITED

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

2. Accounting policies (continued)

2.8 Financial instruments

The company has elected to apply Sections 11 and 12 of FRS 102 in respect of financial instruments.

Financial assets and financial liabilities are recognised when the company becomes party to the contractual provisions of the instrument.

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.

The company's policies for its major classes of financial assets and financial liabilities are set out below.

Financial assets

Basic financial assets, including trade and other debtors, cash and bank balances, intercompany working capital balances, and intercompany financing are initially recognised at transaction price, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

Such assets are subsequently carried at amortised cost using the effective interest method, less any impairment.

Financial liabilities

Basic financial liabilities, including trade creditors, other creditors and loans from fellow group companies, 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 for a similar debt instrument. Financing transactions are those in which payment is deferred beyond normal business terms or is financed at a rate of interest that is not a market rate.

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

PAPIER-METTLER UK LIMITED

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

2. Accounting policies (continued)

Financial instruments (continued)

Impairment of financial assets

Financial assets measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the profit and loss account.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between the asset's carrying amount and the best estimate of the amount the company would receive for the asset if it were to be sold at the reporting date.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If the financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been had the impairment not previously been recognised. The impairment reversal is recognised in the profit and loss account.

Derecognition of financial assets and financial liabilities

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled, or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) despite having retained some significant risks and rewards of ownership, control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

Offsetting of financial assets and financial liabilities

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an 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.

PAPIER-METTLER UK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2017

2. Accounting policies (continued)

2.9 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is Sterling (£).

Transactions and balances

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

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

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit and loss account.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the profit and loss account within 'interest receivable and similar income' or 'interest payable and similar expenses'. All other foreign exchange gains and losses are presented in the profit and loss account within 'administrative expenses'.

2.10 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.11 Interest income

Interest income is recognised in the profit and loss account using the effective interest method.

2.12 Current taxation

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

Current tax is the amount of income tax payable in respect of taxable profit for the year or prior years.

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

PAPIER-METTLER UK LIMITED

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

3. Turnover

The turnover and profit before tax are attributable to the principal activity of the company.

All turnover relates to the sale of goods.

Analysis of turnover by country of destination:

	2017 £	2016 £
United Kingdom	76,734,457	66,498,834
Rest of Europe	1,082,119	1,166,415
	<u>77,816,576</u>	<u>67,665,249</u>

4. Operating profit

The operating profit is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets	55,939	56,385
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	22,712	19,116
Fees payable to the company's auditor and its associates for taxation compliance services	6,198	5,588
Operating lease rentals	-	33,070
Defined contribution pension cost	1,685	-
	<u>86,534</u>	<u>114,159</u>

During the year, no director received any emoluments (2016: £NIL).

PAPIER-METTLER UK LIMITED

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

5. Employees

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	649,408	625,867
Social security costs	81,305	71,969
Cost of defined contribution scheme	1,685	-
	<u>732,398</u>	<u>697,836</u>

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

	2017 No.	2016 No.
Selling and administrative staff	<u>12</u>	<u>12</u>

6. Interest receivable and similar income

	2017 £	2016 £
Interest receivable from group companies	25,441	63,407
Bank interest receivable	5,792	15,738
Foreign currency gains	-	1,912,274
	<u>31,233</u>	<u>1,991,419</u>

7. Interest payable and similar charges

	2017 £	2016 £
Foreign currency losses	<u>10,928</u>	<u>-</u>

PAPIER-METTLER UK LIMITED

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

8. Taxation

	2017 £	2016 £
Corporation tax		
Current tax on profit for the year	973,553	1,339,474
Tax on profit	<u>973,553</u>	<u>1,339,474</u>

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2016 - higher than) the standard rate of corporation tax in the UK of 19.25% (2016 - 20%). The differences are explained below:

	2017 £	2016 £
Profit before taxation	<u>4,957,678</u>	<u>6,682,258</u>
Profit multiplied by standard rate of corporation tax in the UK of 19.25% (2016 - 20%)	954,353	1,336,452
Effects of:		
Expenses not deductible for tax purposes	17,553	1,656
Capital allowances for year in excess of depreciation	1,647	1,366
Total tax charge for the financial year	<u>973,553</u>	<u>1,339,474</u>

Factors that may affect future tax charge

A reduction to the UK corporation tax rate to 17%, effective from 1 April 2020, was substantively enacted as part of the Finance (No. 2) Act 2016 on 6 September 2016.

9. Dividends

	2017 £	2016 £
Dividends declared and paid	<u>21,000,000</u>	<u>-</u>

PAPIER-METTLER UK LIMITED

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

10. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures & fittings £	Total £
Cost				
At 1 January 2017	673,544	139,035	83,079	895,658
Additions	-	37,509	-	37,509
Disposals	-	(41,000)	-	(41,000)
At 31 December 2017	673,544	135,544	83,079	892,167
Depreciation				
At 1 January 2017	69,621	57,457	8,471	135,549
Charge for the year	26,542	20,158	9,239	55,939
Disposals	-	(36,848)	-	(36,848)
At 31 December 2017	96,163	40,767	17,710	154,640
Net book value				
At 31 December 2017	577,381	94,777	65,369	737,527
At 31 December 2016	603,923	81,578	74,608	760,109

11. Stocks

	2017 £	2016 £
Finished goods and goods for resale	1,915,830	1,595,280

Stock recognised in cost of sales during the year as an expense was £70,514,070 (2016: £61,503,858).

PAPIER-METTLER UK LIMITED

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

12. Debtors

	2017 £	2016 £
Trade debtors	17,899,835	16,940,076
Amounts owed by group undertakings	1,743,865	2,518,661
Other debtors	25,439	63,405
Prepayments and accrued income	12,695	-
	<u>19,681,834</u>	<u>19,522,142</u>

Amounts owed by group undertakings carry interest at 1.299% and are repayable on demand.

13. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	<u>4,163,486</u>	<u>12,770,511</u>

14. Creditors: amounts falling due within one year

	2017 £	2016 £
Trade creditors	481,540	896,082
Amounts owed to group undertakings	11,549,993	2,363,757
Corporation tax	508,295	662,029
Other taxation and social security	1,503,300	1,205,962
Accruals and deferred income	34,796	83,584
	<u>14,077,924</u>	<u>5,211,414</u>

Amounts owed to group undertakings are interest free, have no fixed repayment date and are repayable on demand.

PAPIER-METTLER UK LIMITED

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

15. Financial instruments

	2017 £	2016 £
Financial assets		
Financial assets that are debt instruments measured at amortised cost	19,669,139	19,522,142
	<u>19,669,139</u>	<u>19,522,142</u>
Financial liabilities		
Financial liabilities measured at amortised cost	(12,066,329)	(3,343,423)
	<u>(12,066,329)</u>	<u>(3,343,423)</u>

Financial assets at amortised cost comprise trade debtors, group debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, group creditors and other creditors.

16. Reserves

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

17. Share capital

	2017 £	2016 £
Allotted, called up and fully paid		
30,000 Ordinary shares of £1 each	30,000	30,000
	<u>30,000</u>	<u>30,000</u>

There is a single class of ordinary shares. There are no restrictions on the distribution of dividends and the repayment of capital.

18. Related party transactions

The company has taken advantage of the exemption contained in FRS 102 Section 33 "Related Party Disclosures" from disclosing transactions with entities which are a wholly owned part of the group.

Only the directors are considered to be key management personnel. Total remuneration in respect of these individuals is given in note 4.

PAPIER-METTLER UK LIMITED

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

19. Parent undertaking and controlling party

The immediate parent undertaking is Papier-Mettler International GmbH, a company incorporated in Germany. Group financial statements are not prepared.

The ultimate parent undertaking is Mettler Verwaltungs S.A., a company incorporated in Luxembourg. Group financial statements are not prepared.

In the opinion of the directors the immediate controlling party is Papier-Mettler International GmbH, a company incorporated in Germany. The ultimate controlling party is Michael Mettler.