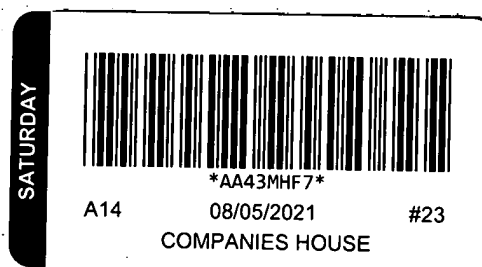


Registered number: 04266100

**PAPIER-METTLER UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# **PAPIER-METTLER UK LIMITED**

## **CONTENTS**

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	<b>Page</b>
<b>Company information</b>	<b>1</b>
<b>Strategic report</b>	<b>2 - 4</b>
<b>Directors' report</b>	<b>5 - 6</b>
<b>Directors' responsibilities statement</b>	<b>7</b>
<b>Independent auditor's report</b>	<b>8 - 11</b>
<b>Profit and loss account</b>	<b>12</b>
<b>Balance sheet</b>	<b>13</b>
<b>Statement of changes in equity</b>	<b>14</b>
<b>Statement of cash flows</b>	<b>15</b>
<b>Notes to the financial statements</b>	<b>16 - 26</b>

# **PAPIER-METTLER UK LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	M Mettler K M Mettler
<b>Registered number</b>	04266100
<b>Registered office</b>	16 Great Queen Street Covent Garden London WC2B 5AH
<b>Independent auditor</b>	Blick Rothenberg Audit LLP Chartered Accountants & Statutory Auditor 16 Great Queen Street Covent Garden London WC2B 5AH

# **PAPIER-METTLER UK LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Introduction**

The directors present their strategic report on the company for the year ended 31 December 2020.

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

#### **Business review**

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 2021.

Turnover increased by 7.9% to £88,356,659 (2019: £81,832,661) due to an increase in the demand for the company's products from existing customers. The reported gross profit margin has remained the same at 10.3% (2019: 10.3%), which is consistent with the directors' expectations. The company has benefitted from foreign exchange movements during the year with the 2019 loss on foreign exchange of £582,971 moving to a gain of £485,026 in 2020. Profit before taxation has increased from £5,907,549 in 2019 to £7,725,577 in 2020.

Stocks held at 31 December 2020 amounted to £2,110,511 (2019: £1,649,609). 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 2020 trade debtors were £15,922,181 (2019: £14,759,941). Trade debtor recovery remains steady around the company's established credit term period.

A dividend of €7,000,000 was declared and paid during the year (2019: €5,000,000).

Notwithstanding the above, the company continues to maintain a very strong balance sheet position with net assets at 31 December 2020 being £18,118,245.

#### **COVID-19 impact**

The directors believe that the coronavirus/COVID-19 pandemic that appeared worldwide at the beginning of 2020 has only had a limited impact on the business. The company supplies the UK retail market with packaging. Whilst there has been temporary closures of non-essential retail shops, a large number of our customers are in the food retail industry, which are officially classified as "essential" by the UK authorities and have remained open for trade. These customers show normal to increased levels of sales.

Packaging is indispensable for reasons of hygiene and product protection, especially in view of the pandemic situation. Turnover and earnings lost through closures of non-essential retail shops can be compensated by growth in the area of food retail customers and fast food suppliers.

The group's factories remain operational and production levels remain normal. Supply chains are not interrupted. Supplies from the Far East can be compensated by in-house production.

The company itself and the wider group are in a strong financial position and have sufficient funds to be able to survive the current crisis. We did not have to move employees to reduced working hours or seek government assistance. Our IT and operational systems are working as normal.

# **PAPIER-METTLER UK LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

### **FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Principal risks and uncertainties**

The directors consider that the principal operating risk facing the company is competition from new and existing suppliers. The risk is managed by maintaining strong customer relationships and supplying high quality products.

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.

Management are continuing to monitor the impact of the UK's departure from the EU. As a company that imports and exports across the UK-EU border, the principal risk is considered to be potential disruption caused by delays to the flow of goods at the border. Where possible, appropriate actions are being taken, including a controlled increase in stock levels. To date, the company has not experienced any significant disruption due to BREXIT.

#### **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.

#### **Statement by the directors on performance of their statutory duties in accordance with S172 (1) Companies Act 2006**

Section 172 (1)(a) to (f) requires the directors to act in the way they consider would be most likely to promote the success of the company for the benefit of its members, as a whole, with regard to the following matters:

##### **a) The likely consequences of any decision in the long-term**

The directors believe that they have acted in the way they consider, in good faith, to promote the long-term success of the company.

##### **b) The interests of the company's employees**

The directors consider our people to be our greatest asset and the interests of our employees are always taken into consideration in the decisions that are made. An "open" environment is encouraged and the company aims to be a responsible employer in its approach to employee matters including pay and benefits, diversity and inclusion, and training, development and career opportunities.

**PAPIER-METTLER UK LIMITED**  
**STRATEGIC REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**c) The need to foster the company's business relationships with suppliers, customers and others**

The directors and management team work closely with suppliers to build long-term relationships. Our aim is to work with our suppliers in an environment that reflects the values and behaviours we would expect from our own people.

Our social responsibility is important to us. Our criteria is to trade using ethical and social principles and only buy ethical products and services where possible. These have been outlined in the group's Code of Conduct. The Code of Conduct aims to respect fundamental human rights, employment rights and the environment.

We are very much focussed on our customers and consistently strive to provide competitive pricing, quality products and excellent customer service.

**d) The impact of the company's operations on the community and environment**

Our main environmental challenge is climate change and the shortage of fossil fuels. For it is here that we can make the greatest impact as a company. The Papier-Mettler group creates products which are manufactured from renewable or recycled raw materials and our aim is to make alternative packaging solutions accessible to the mass market. Our future strategy is innovation-led to reduce environmental impact.

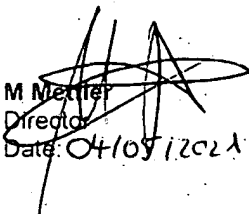
**e) The desirability of the company maintaining a reputation for high standards of business conduct**

The directors' intentions are to behave responsibly and ensure that management operate the business in a responsible manner, adhering to the high standards of business conduct and good governance expected and, in doing so, will contribute to the continued success of the company.

**f) The need to act fairly as between members of the company**

The company has one member, Papier-Mettler International GmbH, and the directors have regular and open dialogue with its representatives. The company has a track record of declaring dividends to ensure a suitable return on investment.

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

  
M Mettler  
Director  
Date: 04/09/2021

# PAPIER-METTLER UK LIMITED

## DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

---

The directors present their report and the financial statements for the year ended 31 December 2020.

### Results and dividends

The profit for the year, after taxation, amounted to £6,259,046 (2019: £4,778,102).

A dividend of £5,897,745 was declared and paid during the year (2019: £4,318,502).

### 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.

### Streamlined Energy and Carbon Reporting

The company's greenhouse gas emissions and energy consumption are as follows:

	2020
Emissions from purchased electricity (in tonnes of CO <sub>2</sub> equivalent)	11.05
Total energy consumption (kWh)	47,407

### Comparison to previous financial year

As this is the first SECR Report submitted by Papier Mettler UK Limited, there is no comparison to the previous reporting year's carbon emissions or energy consumption.

### Scope 1 emissions

For the year ended 31 December 2020, the company had no emissions from the direct combustion of gas or fuel for the purposes of transport and as such there are no direct emissions disclosed (scope 1).

### Methodology

We have followed the 2020 HM Government Environmental Reporting Guidelines and used the 2020 UK Government's Conversation Factors for Company Reporting. Energy data is obtained from invoices and estimates are used if necessary.

### Intensity ratio

We measure our annual emissions in relation to total turnover (our 'intensity ratio'). As a revenue-based business, total turnover is a quantifiable factor associated with our activities. For the year ended 31 December 2020, the tonne per £m of revenue was 0.13 tCO<sub>2</sub>e.

### Primary energy efficiency measures implemented

The directors are mindful of environmental issues and takes all reasonable steps to ensure that the emissions from the company's business space and cars is minimised.

**PAPIER-METTLER UK LIMITED**  
**DIRECTORS' REPORT (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**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: 04/05/2021



# **PAPIER-METTLER UK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2020**

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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 for the company's financial statements 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, AS A BODY, OF PAPIER-METTLER UK LIMITED FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### **Opinion**

We have audited the financial statements of Papier-Mettler UK Limited (the 'company') for the year ended 31 December 2020, which comprise the profit and loss account, the balance sheet, the statement of cash flows, the statement of changes in equity and the related 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 2020 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**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

# **PAPIER-METTLER UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF PAPIER-METTLER UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 7, 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.

# **PAPIER-METTLER UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF PAPIER-METTLER UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the packaging and retail sectors;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- reviewed the nominal ledger, including reviewing journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and relevant regulators.

# **PAPIER-METTLER UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS, AS A BODY, OF PAPIER-METTLER UK LIMITED (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020**

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### **Auditor's responsibilities for the audit of the financial statements (continued)**

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

### **Use of our report**

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

*Blick Rothenberg Audit LLP*

Christopher Shepherd (senior statutory auditor)

for and on behalf of

**Blick Rothenberg Audit LLP**

Chartered Accountants  
Statutory Auditor

16 Great Queen Street  
Covent Garden  
London  
WC2B 5AH

Date: 5 May 2021

# PAPIER-METTLER UK LIMITED

## PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	3	88,356,659	81,832,661
Cost of sales		(79,275,329)	(73,432,167)
<b>Gross profit</b>		<b>9,081,330</b>	<b>8,400,494</b>
Administrative expenses		(1,834,467)	(1,941,362)
<b>Operating profit</b>	4	<b>7,246,863</b>	<b>6,459,132</b>
Interest receivable and similar income	6	485,581	31,988
Interest payable and similar expenses	7	(6,867)	(583,572)
<b>Profit before taxation</b>		<b>7,725,577</b>	<b>5,907,548</b>
Tax on profit	8	(1,466,531)	(1,129,446)
<b>Profit for the financial year</b>		<b>6,259,046</b>	<b>4,778,102</b>

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****BALANCE SHEET  
AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	10	663,395	669,913
		<u>663,395</u>	<u>669,913</u>
<b>Current assets</b>			
Stocks	11	2,110,511	1,649,609
Debtors: amounts falling due within one year	12	20,692,224	16,020,550
Cash at bank and in hand	13	5,798,019	10,448,182
		<u>28,600,754</u>	<u>28,118,341</u>
Creditors: amounts falling due within one year	14	(11,145,904)	(11,031,310)
<b>Net current assets</b>		<u>17,454,850</u>	<u>17,087,031</u>
<b>Total assets less current liabilities</b>		<u>18,118,245</u>	<u>17,756,944</u>
<b>Net assets</b>		<u><u>18,118,245</u></u>	<u><u>17,756,944</u></u>
<b>Capital and reserves</b>			
Called up share capital	16	30,000	30,000
Profit and loss account	15	18,088,245	17,726,944
<b>Total equity</b>		<u><u>18,118,245</u></u>	<u><u>17,756,944</u></u>

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

  
M Mettler  
Director

Date: 04/05/2021

The notes on pages 16 to 26 form part of these financial statements.

# PAPIER-METTLER UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	<b>30,000</b>	<b>17,267,344</b>	<b>17,297,344</b>
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	4,778,102	4,778,102
<b>Total comprehensive income for the year</b>	-	4,778,102	4,778,102
<b>Transactions with owners</b>			
Dividends: Equity capital	-	(4,318,502)	(4,318,502)
<b>At 1 January 2020</b>	<b>30,000</b>	<b>17,726,944</b>	<b>17,756,944</b>
<b>Comprehensive income for the year</b>			
Profit for the financial year	-	6,259,046	6,259,046
<b>Total comprehensive income for the year</b>	-	6,259,046	6,259,046
<b>Transactions with owners</b>			
Dividends: Equity capital	-	(5,897,745)	(5,897,745)
<b>Total transactions with owners</b>	-	(5,897,745)	(5,897,745)
<b>At 31 December 2020</b>	<b>30,000</b>	<b>18,088,245</b>	<b>18,118,245</b>



# PAPIER-METTLER UK LIMITED

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	6,259,046	4,778,102
<b>Adjustments for:</b>		
Depreciation of tangible assets	63,383	59,855
(Profit)/loss on disposal of tangible assets	(545)	6,632
Interest paid	6,867	583,572
Interest received	(485,581)	(31,988)
Taxation charge	1,466,531	1,129,446
(Increase)/decrease in stocks	(460,902)	111,297
(Increase)/decrease in debtors	(4,666,236)	4,063,515
Increase/(decrease) in creditors	1,128,722	(5,324,598)
Corporation tax paid	(2,007,938)	(1,195,416)
<b>Net cash generated from operating activities</b>	<b>1,303,347</b>	<b>4,180,417</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(67,807)	(64,409)
Sale of tangible fixed assets	11,487	9,167
Interest received	555	31,988
<b>Net cash used in investing activities</b>	<b>(55,765)</b>	<b>(23,254)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(5,897,745)	(4,318,502)
<b>Net cash used in financing activities</b>	<b>(5,897,745)</b>	<b>(4,318,502)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(4,650,163)</b>	<b>(161,339)</b>
Cash and cash equivalents at beginning of year	10,448,182	10,609,521
<b>Cash and cash equivalents at the end of year</b>	<b>5,798,019</b>	<b>10,448,182</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	5,798,019	10,448,182
	<b>5,798,019</b>	<b>10,448,182</b>

# **PAPIER-METTLER UK LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

---

### **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 and Wales. 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 and the Companies Act 2006.

The following principal accounting policies have been applied:

#### **2.2 Going concern**

Having considered post year end trading and financial results, cash reserves, and 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 2020**

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### **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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	- 25 years
Motor vehicles	- 7 years
Fixtures and 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 profit or loss.

#### **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. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 2020**

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**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 and other creditors and intercompany working capital balances, 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 2020**

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### **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 profit or loss.

##### **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 2020**

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### **2. Accounting policies (continued)**

#### **2.9 Foreign currency translation**

##### **Functional and presentation currency**

The company's functional and presentational currency is GBP.

##### **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 profit or loss.

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.

#### **2.11 Interest income**

Interest income is recognised in profit or loss 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 2020

### 2. Accounting policies (continued)

#### 2.13 Pensions

##### Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

### 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:

	2020 £	2019 £
United Kingdom	87,623,177	80,754,236
Rest of Europe	733,482	1,078,425
	<u>88,356,659</u>	<u>81,832,661</u>

### 4. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	63,383	59,855
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	20,500	21,050
Fees payable to the company's auditor and its associates for taxation compliance services	4,600	5,450
Other operating lease rentals	-	12,912
Defined contribution pension cost	10,151	8,805

During the year, no director received any emoluments (2019: £NIL).

# PAPIER-METTLER UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 5. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	723,786	770,503
Social security costs	86,872	95,358
Cost of defined contribution scheme	10,151	8,805
	<u>820,809</u>	<u>874,666</u>

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

	2020 No.	2019 No.
Selling and administrative staff	<u>13</u>	<u>14</u>

### 6. Interest receivable and similar income

	2020 £	2019 £
Interest receivable from group companies	555	31,988
Foreign currency gains	485,026	-
	<u>485,581</u>	<u>31,988</u>

### 7. Interest payable and similar expenses

	2020 £	2019 £
Foreign currency losses	-	582,971
Other interest payable	6,867	601
	<u>6,867</u>	<u>583,572</u>



# PAPIER-METTLER UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 8. Taxation

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the financial year	1,466,531	1,129,446
<b>Tax on profit</b>	<u>1,466,531</u>	<u>1,129,446</u>

#### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit on ordinary activities before tax	<u>7,725,577</u>	<u>5,907,548</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	1,467,860	1,122,434
Expenses not deductible for tax purposes	678	1,518
(Capital allowances in excess of depreciation)/depreciation in excess of capital allowances	(2,269)	4,234
Loss on the sale of tangible assets	(104)	1,260
Changes in provisions leading to an increase (decrease) in the tax charge	366	-
<b>Total tax charge for the year</b>	<u>1,466,531</u>	<u>1,129,446</u>

#### Factors that may affect future tax charges

In the Spring Budget 2020, the Government announced that from 1 April 2020 the corporation tax rate would remain at 19% (rather than reducing to 17%, as previously enacted). This new law was substantively enacted on 17 March 2020.

As the proposal to keep the rate at 19% had been substantively enacted at the balance sheet date, its effects on the measurement of deferred tax that had been measured at the previously enacted 17% rate, has been included in these financial statements.

# PAPIER-METTLER UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 9. Dividends

	2020 £	2019 £
Dividends declared and paid	<u>5,897,745</u>	<u>4,318,502</u>

### 10. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>				
At 1 January 2020	673,544	170,228	83,079	926,851
Additions	-	67,807	-	67,807
Disposals	-	(68,310)	-	(68,310)
At 31 December 2020	<u>673,544</u>	<u>169,725</u>	<u>83,079</u>	<u>926,348</u>
<b>Depreciation</b>				
At 1 January 2020	149,246	72,725	34,967	256,938
Charge for the year on owned assets	26,542	28,935	7,906	63,383
Disposals	-	(57,368)	-	(57,368)
At 31 December 2020	<u>175,788</u>	<u>44,292</u>	<u>42,873</u>	<u>262,953</u>
<b>Net book value</b>				
At 31 December 2020	<u>497,756</u>	<u>125,433</u>	<u>40,206</u>	<u>663,395</u>
At 31 December 2019	<u>524,298</u>	<u>97,503</u>	<u>48,112</u>	<u>669,913</u>

### 11. Stocks

	2020 £	2019 £
Finished goods and goods for resale	<u>2,110,511</u>	<u>1,649,609</u>

There is no significant difference between the replacement cost of the stock and its carrying amount.

# PAPIER-METTLER UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 12. Debtors

	2020 £	2019 £
<b>Due within one year</b>		
Trade debtors	15,922,181	14,759,941
Amounts owed by group undertakings	4,492,000	1,000,000
Other debtors	51,337	30,884
Prepayments and accrued income	221,268	229,725
Tax recoverable	5,438	-
	<u>20,692,224</u>	<u>16,020,550</u>

Amounts owed by group undertakings have no fixed repayment date and are repayable on demand.

### 13. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	<u>5,798,019</u>	<u>10,448,182</u>

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

	2020 £	2019 £
Trade creditors	1,190,982	987,074
Amounts owed to group undertakings	8,427,762	8,161,792
Corporation tax	-	535,969
Other taxation and social security	1,465,900	1,243,966
Other creditors	26,911	63,685
Accruals and deferred income	34,349	38,824
	<u>11,145,904</u>	<u>11,031,310</u>

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

### 15. Reserves

#### Profit and loss account

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

# PAPIER-METTLER UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

### 16. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
30,000 Ordinary shares of £1 each	<b>30,000</b>	<b>30,000</b>

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

### 17. Analysis of net debt

	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	<b>10,448,182</b>	<b>(4,650,163)</b>	<b>5,798,019</b>

### 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.

### 19. Controlling party

The immediate parent undertaking is Papier-Mettler International GmbH, whose registered office is at Hochwaldstrasse 22, 54497 Morbach, Germany. Group financial statements are not prepared.

The ultimate parent undertaking is Mettler Verwaltungs S.A., whose registered office is at route de Trèves 6D, 2633, Niederanven, 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.