

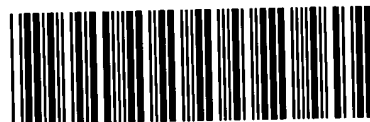
Registered number: 05816563

## **ZWILLING J A HENCKELS (UK) LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**

SATURDAY



\*A6F3313L\*

A21

16/09/2017

#387

COMPANIES HOUSE

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**COMPANY INFORMATION**

---

<b>Directors</b>	A Wolfgarten (resigned 24 March 2017) V Herrmann N Linnenberg (appointed 24 March 2017)
<b>Company secretary</b>	M Dennison
<b>Registered number</b>	05816563
<b>Registered office</b>	Ashleys (Hitchin) Limited Invision House Wilbury Way Hitchin Herts SG4 0TY
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 10 Bricket Road St. Albans Hertfordshire AL1 3JX

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**CONTENTS**

---

	Page
<b>Directors' report</b>	<b>1 - 2</b>
<b>Independent auditors' report to the members of Zwilling J A Henckels (UK) Limited</b>	<b>3 - 4</b>
<b>Statement of comprehensive income</b>	<b>5</b>
<b>Statement of financial position</b>	<b>6</b>
<b>Statement of changes in equity</b>	<b>7 - 8</b>
<b>Notes to the financial statements</b>	<b>9 - 25</b>

---

## **ZWILLING J A HENCKELS (UK) LIMITED**

---

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2016**

---

The directors present their annual report and the audited financial statements for the year ended 31 December 2016.

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

#### **Principal activities**

The principal activity of the Company continues to be the marketing and distribution of kitchenware and beauty tools in the United Kingdom. There have not been any significant changes to the Company's principal activity in the financial year under review and the directors are not aware of any likely changes in the next financial year.

#### **Results and dividends**

The loss for the financial year was £11,407 (2015: profit of £164,807). The directors do not recommend the payment of a final dividend (2015: £nil).

#### **Future developments**

The directors do not anticipate any significant changes in the Company's business in the near future.

#### **Strategic report**

The directors have taken advantage of the exemption to prepare a strategic report under section 414B of the Companies Act 2006 (Strategic Report and Directors' Report).

#### **Directors**

The directors, all of whom have served throughout the year and up to the date of signing the financial statements were:

A Wolfgarten (resigned 24 March 2017)  
V Herrmann

N Linnenberg was appointed as director on 24th March 2017.

---

## ZWILLING J A HENCKELS (UK) LIMITED

---

### DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006.

The directors 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.

#### Disclosure of information to auditors

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 auditors are 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 auditors are aware of that information.

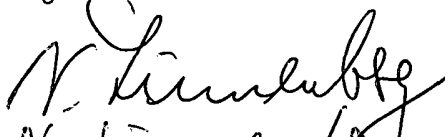
#### Auditors

The auditors, PricewaterhouseCoopers LLP, have indicated their willingness to continue in office and a resolution concerning their re-appointment will be proposed at the Annual General Meeting.

This report was approved by the board on 13 June 2017 and signed on its behalf.



V Herrmann  
Director



N. Linnert  
Director

---

## **ZWILLING J A HENCKELS (UK) LIMITED**

---

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZWILLING J A HENCKELS (UK) LIMITED**

---

## **Report on the financial statements**

---

### **Our opinion**

In our opinion, Zwilling J A Henckels (UK) Limited's financial statements (the "financial statements"):

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

### **What we have audited**

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- the statement of financial position as at 31 December 2016;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice).

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

---

## **Opinions 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Directors' Report. We have nothing to report in this respect.

---

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

---

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

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

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

---

## ZWILLING J A HENCKELS (UK) LIMITED

---

### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ZWILLING J A HENCKELS (UK) LIMITED (CONTINUED)

---

#### Directors' remuneration

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

#### Entitlement to exemptions

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.

### Responsibilities for the financial statements and the audit

---

#### Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

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

#### What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

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

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

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.



Tim Broadway (Senior Statutory Auditor)  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
St Albans  
13 June 2017

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

	Note	2016 £	2015 £
Turnover	5	5,711,136	5,254,750
Cost of sales		(2,788,433)	(2,389,204)
<b>Gross profit</b>		<b>2,922,703</b>	<b>2,865,546</b>
Administrative expenses		(2,909,138)	(2,649,425)
Other operating income	6	18,496	18,478
<b>Operating profit</b>	7	<b>32,061</b>	<b>234,599</b>
Interest payable and similar charges	9	(45,879)	(31,739)
<b>(Loss)/profit on ordinary activities before tax</b>		<b>(13,818)</b>	<b>202,860</b>
Tax on (loss)/profit on ordinary activities	10	2,411	(38,053)
<b>(Loss)/profit for the financial year</b>		<b><u>(11,407)</u></b>	<b><u>164,807</u></b>
 <b>Other comprehensive income for the year</b>		 -	 -
 <b>Total comprehensive income for the year</b>		 <b><u>(11,407)</u></b>	 <b><u>164,807</u></b>

The notes on pages 9 to 25 form part of these financial statements.

The Company's results all relate to continuing activities.



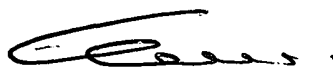
**ZWILLING J A HENCKELS (UK) LIMITED**

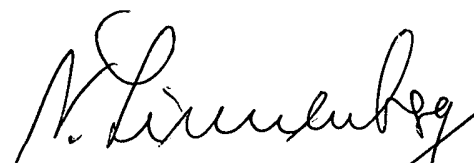
**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2016**

	Note	2016 £	2015 £
<b>Fixed assets</b>			
Tangible assets	11	264,212	280,122
		<u>264,212</u>	<u>280,122</u>
<b>Current assets</b>			
Inventories	12	1,388,435	1,220,320
Debtors: amounts falling due after more than one year	13	239,078	180,853
Debtors: amounts falling due within one year	13	674,836	719,596
Cash at bank and in hand		1,210,486	774,060
		<u>3,512,835</u>	<u>2,894,829</u>
Creditors: amounts falling due within one year	14	(2,587,871)	(1,971,961)
<b>Net current assets</b>		<u>924,964</u>	<u>922,868</u>
<b>Total assets less current liabilities</b>		<u>1,189,176</u>	<u>1,202,990</u>
<b>Provisions for liabilities</b>	16	(12,359)	(14,766)
		<u>(12,359)</u>	<u>(14,766)</u>
<b>Net assets</b>		<u><u>1,176,817</u></u>	<u><u>1,188,224</u></u>
<b>Capital and reserves</b>			
Called up share capital	17	250,000	250,000
Other reserves		750,000	750,000
Retained earnings		176,817	188,224
<b>Total equity - wholly attributable to the owners of the parent</b>		<u><u>1,176,817</u></u>	<u><u>1,188,224</u></u>

The notes on pages 9 to 25 form part of these financial statements.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 13 June 2017.

  
V Herrmann  
Director

  
N Linnenberg  
Director

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2016	<b>250,000</b>	<b>750,000</b>	<b>188,224</b>	<b>1,188,224</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(11,407)	(11,407)
<b>Other comprehensive income for the year</b>	-	-	-	-
<b>Total comprehensive income for the year</b>	-	-	(11,407)	(11,407)
<b>At 31 December 2016</b>	<b><u>250,000</u></b>	<b><u>750,000</u></b>	<b><u>176,817</u></b>	<b><u>1,176,817</u></b>

The notes on pages 9 to 25 form part of these financial statements.

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2015**

---

	<b>Called up share capital</b>	<b>Other reserves</b>	<b>Retained earnings</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
At 1 January 2015	250,000	750,000	23,417	1,023,417
<b>Comprehensive income for the year</b>				
Profit for the year	-	-	164,807	164,807
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Other comprehensive income for the year</b>	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Total comprehensive income for the year</b>	-	-	164,807	164,807
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2015</b>	<b><u>250,000</u></b>	<b><u>750,000</u></b>	<b><u>188,224</u></b>	<b><u>1,188,224</u></b>

The notes on pages 9 to 25 form part of these financial statements.

---

## **ZWILLING J A HENCKELS (UK) LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

---

#### **1. General information**

Zwilling J A Henckels (UK) Limited is a private company limited by shares, incorporated in England, registration number 05816563. The registered office is C/O Ashleys (Hitchin) Limited, Invision House, Wilbury Way, Hitchin, Herts, SG4 0TY.

The Company is a wholly owned subsidiary of Wilh. Wehann KG, a company incorporated in Germany.

#### **2. Statement of compliance**

The individual financial statements of Zwilling J A Henckels (UK) Limited have been prepared in a compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland" ("FRS 102") and the Companies Act 2006.

#### **3. Summary of significant accounting policies**

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated. The Company adopted FRS 102 in these financial statements. Details of the transition to FRS 102 are disclosed in note 21.

##### **3.1 Basis of preparation**

The financial statements are prepared on the going concern basis under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

##### **3.2 Exemptions for qualifying entities under FRS 102**

FRS102 allows a qualifying entity certain disclosure exemptions, subject to certain conditions, which have been complied with, including notification of and no objection to, the use of exemptions by the Company's shareholders. The Company has taken advantage of the following exemptions:

- i) From preparing a statement of cash flows required under FRS102 paragraph 3.17(d), on the basis that it is a qualifying entity and its ultimate parent company, Wilh. Wehann KG, includes the Company's cash flows in its own consolidated financial statements;
- ii) From disclosing related party transactions, required under FRS102 paragraph 33.9, on the basis that Wilh. Wehann KG. has control, joint control or significant influence over both the Company and the related entities.

---

## ZWILLING J A HENCKELS (UK) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 3. Summary of significant accounting policies (continued)

##### 3.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable and represents the amount receivable for goods supplied or service rendered, net of returns, discounts and rebates allowed by the Company and value added taxes.

The Company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Where the consideration receivable in cash or cash equivalents is deferred, and the arrangement constitutes a financing transaction, the fair value of the consideration is measured as the present value of all future receipts using the imputed rate of interest.

The Company recognises revenue when (a) the significant risks and rewards of ownership have been transferred to the buyer; (b) the Company retains no continuing involvement or control over the goods; (c) the amount of revenue can be measured reliably; (d) it is probable that future economic benefits will flow to the entity and (e) when the specific criteria relating to each of the Company's sales channels have been met, as described below.

##### (i) Sale of goods – wholesale

The Company markets and distributes a range of kitchenware and beauty tools in the wholesale market. Sales of goods are recognised on collection by or delivery to the wholesaler, when the wholesaler has full discretion over the channel and price to sell the product and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the product. Delivery occurs when the goods have been shipped to the location specified by the wholesaler, the risks of obsolescence or loss have been transferred to the wholesaler, the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed or the Company has objective evidence that all criteria for acceptance have been satisfied.

Goods sold to wholesalers are sometimes sold with volume rebates and also with the provision for the wholesale customer to return faulty goods. Sales are measured at the prices specified in the sale contract, net of estimated volume rebates and returns. Volume rebates are assessed based on anticipated annual purchases. Accumulated experience is used to estimate and provide for the discounts and returns.

Sales are normally made with a credit term of 30 days. The element of financing is deemed immaterial and is disregarded in the measurement of revenue.

##### (ii) Sale of goods – retail

The Company operates retail shops for the sale of kitchenware and beauty tools. Sales of goods are recognised on sale to the customer, which is considered the point of delivery. Retail sales are usually by cash, credit or payment card.

Sales are made to retail customers with a right to return within 28 days, subject to certain conditions regarding the usage. Accumulated experience is used to estimate and provide for such returns at the time of sale.

The Company does not operate any loyalty programmes.

---

## ZWILLING J A HENCKELS (UK) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 3. Summary of significant accounting policies (continued)

##### 3.3 Revenue recognition (continued)

###### (iii) Sale of goods – internet based transactions

The Company sells goods via its website for delivery to the customer. Revenue is recognised when the risks and rewards of the inventory is passed to the customer. For deliveries to the customer this is the point of acceptance of the goods by the customer. Transactions are settled by credit or payment card.

Provision is made for credit notes based on the expected level of returns which is based on the historical experience of returns.

##### 3.4 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.

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:

S/Term Leasehold	- 20% straight line
Fixtures & fittings	- 25% straight line
Office equipment	- 25% straight line

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 statement of comprehensive income.

##### 3.5 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.

##### 3.6 Inventories

Inventories 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the statement of comprehensive income.

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**3. Summary of significant accounting policies (continued)**

**3.7 Financial instruments**

The Company has chosen to adopt Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade and other receivables, cash and bank balances and investments in commercial paper, 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.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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.

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) 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.

**(ii) Financial liabilities**

Basic financial liabilities, including trade and other payables, 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 receipts discounted at a market rate of interest.

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

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

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

---

## **ZWILLING J A HENCKELS (UK) LIMITED**

---

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

---

#### **3. Summary of significant accounting policies (continued)**

##### **3.8 Impairment of non-financial assets**

At each balance sheet date non-financial assets not carried at fair value are assessed to determine whether there is an indication that the asset (or asset's cash generating unit) may be impaired. If there is such an indication the recoverable amount of the asset (or asset's cash generating unit) is compared to the carrying amount of the asset (or asset's cash generating unit).

The recoverable amount of the asset (or asset's cash generating unit) is the higher of the fair value less costs to sell and value in use. Value in use is defined as the present value of the future cash flows before interest and tax obtainable as a result of the asset's (or asset's cash generating unit) continued use. These cash flows are discounted using a pre-tax discount rate that represents the current market risk-free rate and the risks inherent in the asset.

If the recoverable amount of the asset (or asset's cash generating unit) is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount. An impairment loss is recognised in the statement of comprehensive income, unless the asset has been revalued when the amount is recognised in other comprehensive income to the extent of any previously recognised revaluation. Thereafter any excess is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset (or asset's cash generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that the revised carrying amount does not exceed the carrying amount that would have been determined (net of depreciation or amortisation) had no impairment loss been recognised in prior periods. A reversal of an impairment loss is recognised in the statement of comprehensive income.

##### **3.9 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 the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.



---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**3. Summary of significant accounting policies (continued)**

**3.10 Finance costs**

Finance costs are charged to the statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**3.11 Operating leases: the Company as lessee**

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to continue to be charged over the period to the first market rent review rather than the term of the lease.

**3.12 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the statement of financial position.

---

## ZWILLING J A HENCKELS (UK) LIMITED

---

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

---

#### 3. Summary of significant accounting policies (continued)

##### 3.13 Employee benefits

The Company provides a range of benefits to employees, including annual bonus arrangements, paid holiday arrangements and defined contribution pension plans.

(i) Short term benefits

Short term benefits, including holiday pay and other similar non-monetary benefits, are recognised as an expense in the period in which the service is received.

(ii) Defined contribution pension plans

The Company operates a defined contribution pension scheme. 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 when they are due. Amounts not paid are shown in accruals in the statement of financial position. The assets of the plan are held separately from the Company in independently administered funds.

(iii) Annual bonus plan

The Company operates an annual bonus plan for employees. An expense is recognised in the statement of comprehensive income when the Company has a legal or constructive obligation to make payments under the plan as a result of past events and a reliable obligation can be made.

##### 3.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the statement of comprehensive income, 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.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the statement of financial position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**3. Summary of significant accounting policies (continued)**

**3.15 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.

**3.16 Related party transactions**

The Company discloses transactions with related parties which are not wholly owned by Wilh. Wehann KG. It does not disclose transactions with other group companies wholly owned by Wilh. Wehann KG.

**4. Critical accounting judgements and estimation uncertainty**

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical judgements in applying the entity's accounting policies include:

There are no areas within the financial statements where management has been required to apply a critical judgement.

(b) Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are addressed below.

i) Impairment of debtors - the Company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 13 for the net carrying amount of the debtors and associated impairment provision.

ii) Inventory provisioning - the Company markets and distributes kitchenware and beauty tools and is subject to changing consumer demands. As a result it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. When calculating the inventory provision, management considers the nature and condition of the inventory, as well as applying assumptions around anticipated saleability of finished goods. See note 12 for the net carrying amount of the inventory and associated provision.

iii) Tangible fixed assets – The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**5. Turnover**

Turnover is attributable to the sale of goods.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	5,541,845	5,151,341
Rest of Europe	169,291	103,409
	<u>5,711,136</u>	<u>5,254,750</u>

**6. Other operating income**

	2016 £	2015 £
Other operating income	18,496	18,478
	<u>18,496</u>	<u>18,478</u>

In the 2015 financial statements, other operating income included £360,835 of commissions receivable. This revenue has been included in turnover in 2016 and so the 2015 amount has been reclassified in these financial statements

**7. Operating profit**

Operating profit is stated after charging:

	2016 £	2015 £
Depreciation of tangible fixed assets	115,947	97,258
Inventory recognised as an expense	2,900,370	2,725,345
Impairment of trade debtors (included in administrative expenses)	752	4,235
Foreign exchange losses/ (gains)	207,946	(89,629)
Operating lease charges	357,783	316,454
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	8,000	11,500
Fees payable to the Company's auditor and its associates for other services to the Company	<u>-</u>	<u>13,200</u>

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**8. Employees and directors**

Staff costs were as follows:

	2016 £	2015 £
Wages and salaries	1,167,936	1,217,798
Social security costs	102,764	126,474
Other pension costs (note 18)	33,237	25,861
	<u>1,303,937</u>	<u>1,370,133</u>

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

	2016 No.	2015 No.
Administration	<u>50</u>	<u>42</u>

**Directors remuneration**

The directors received no remuneration in respect of their services to the Company in the current year (2015: £nil) as their services to the Company were merely incidental to their employment in other Wilh. Wehahn KG group companies.

**9. Interest payable and similar charges**

	2016 £	2015 £
Intercompany loan interest payable	45,879	31,739
	<u>45,879</u>	<u>31,739</u>

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**10. Tax on (loss)/profit on ordinary activities**

The tax (credit)/charge for the year comprises:

	<b>2016 £</b>	<b>2015 £</b>
<b>Current tax</b>		
UK corporation tax on (loss)/profit for the year	-	23,287
Adjustments in respect of previous periods	(4)	-
<b>Total current tax</b>	<u><u>(4)</u></u>	<u><u>23,287</u></u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,407)	14,766
<b>Total deferred tax</b>	<u><u>(2,407)</u></u>	<u><u>14,766</u></u>
<b>Taxation on (loss)/profit on ordinary activities</b>	<u><u>(2,411)</u></u>	<u><u>38,053</u></u>

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**10. Tax on (loss)/profit on ordinary activities (continued)**

**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2015 - *lower than*) the standard rate of corporation tax in the UK of 20% (2015 - 20%). The differences are explained below:

	2016 £	2015 £
(Loss)/profit on ordinary activities before tax	<u>(13,818)</u>	<u>202,860</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20% (2015 - 20%)	(2,764)	40,572
<b>Effects of:</b>		
Expenses not deductible for tax purposes	32	(1,255)
Capital allowances for year in excess of depreciation	(5,852)	(1,184)
Adjustments in respect of prior periods	(4)	-
Increase or decrease in pension fund prepayment leading to an increase (decrease) in tax	325	(80)
Unrelieved tax losses carried forward	5,852	-
<b>Total tax charge for the year</b>	<u>(2,411)</u>	<u>38,053</u>

**Tax rate changes**

In October 2015, the UK corporation tax rate for the financial year commencing 1 April 2017 was set at 19% and for the year commencing 1 April 2020 was set at 18%. A further change was announced in the March 2016 budget to further reduce the corporation tax rate to 17% by 1 April 2020, which has now been substantively enacted. Deferred tax balances at 31 December 2016 were measured at 17% (2015: 18%).

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**11. Tangible fixed assets**

	Fixtures & fittings £	Office equipment £	Total £
<b>Cost</b>			
At 1 January 2016	902,942	59,587	962,529
Additions	100,038	-	100,038
At 31 December 2016	<u>1,002,980</u>	<u>59,587</u>	<u>1,062,567</u>
<b>Accumulated depreciation</b>			
At 1 January 2016	622,821	59,587	682,408
Charge for the period on owned assets	115,947	-	115,947
At 31 December 2016	<u>738,768</u>	<u>59,587</u>	<u>798,355</u>
<b>Net book amount</b>			
At 31 December 2016	<u>264,212</u>	<u>-</u>	<u>264,212</u>
At 31 December 2015	<u>280,122</u>	<u>-</u>	<u>280,122</u>

**12. Inventories**

	2016 £	2015 £
Finished goods	1,388,435	1,220,320
	<u>1,388,435</u>	<u>1,220,320</u>



---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**13. Debtors**

	2016 £	2015 £
<b>Due after more than one year</b>		
Other debtors	239,078	180,853
	<u>239,078</u>	<u>180,853</u>
<b>Due within one year</b>		
Trade debtors	520,815	640,512
Amounts owed by group undertakings	65,034	10,912
Other debtors	34,576	28,484
Prepayments and accrued income	54,411	39,688
	<u>674,836</u>	<u>719,596</u>

Amounts owed by group undertakings are unsecured and repayable on demand.

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

	2016 £	2015 £
Trade creditors	228,336	73,931
Amounts owed to group undertakings	1,985,816	1,437,883
Corporation tax	-	23,287
Taxation and social security	281,839	223,167
Other creditors	4,205	6,537
Accruals and deferred income	87,675	207,156
	<u>2,587,871</u>	<u>1,971,961</u>

Amounts owed to group undertakings are unsecured and repayable on demand.

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**15. Financial instruments**

		<b>2016 £</b>	<b>2015 £</b>
<b>Financial assets that are debt instruments measured at amortised cost</b>			
Trade debtors	13	520,815	640,512
Amounts owed by group undertakings	13	65,034	10,912
Other debtors	13	273,654	209,337
Cash at bank and in hand		1,210,486	774,060
		<u><b>2,069,989</b></u>	<u><b>1,634,821</b></u>
<b>Financial liabilities measured at amortised cost</b>			
Trade creditors	14	228,336	73,931
Amounts owed to group undertakings	14	1,985,816	1,437,883
Other creditors	14	4,205	6,537
Accruals	14	87,675	207,156
		<u><b>2,306,032</b></u>	<u><b>(1,150,259)</b></u>

**16. Deferred taxation**

	<b>2016 £</b>
At beginning of year	(14,766)
Charged to the statement of comprehensive income	2,407
<b>At end of year</b>	<u><b>(12,359)</b></u>
The provision for deferred taxation is made up as follows:	
	<b>2016 £</b>
Accelerated capital allowances	(12,359)
	<u><b>(12,359)</b></u>

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**17. Share capital**

	2016 £	2015 £
<b>Shares classified as equity</b>		
<b>Allotted, called up and fully paid</b>		
250,000- Ordinary shares of £1 each	<u>250,000</u>	<u>250,000</u>

**18. Pension commitments**

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £33,237 (2015 - £25,861). Contributions totalling £4,205 (2015 - £2,581) were payable to the fund at the reporting date.

**19. Commitments under operating leases**

At the reporting year end date, the Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	438,408	282,812
Later than 1 year and not later than 5 years	1,710,358	256,949
Later than 5 years	1,403,513	-
	<u>3,552,279</u>	<u>539,761</u>

**20. Related party transactions**

*Key management personnel*

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Company are considered to be key management personnel. Total remuneration in respect of these individuals is £185,097 (2015 - £160,511).

There are no transactions with related parties not wholly owned by the Group headed by Wilh. Werhahn KG. The Company is exempt from disclosing other related party transactions as they are with other companies that are wholly owned by the group headed by Wilh. Werhahn KG.

---

**ZWILLING J A HENCKELS (UK) LIMITED**

---

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

---

**21. Controlling party**

The immediate parent company is Zwilling International GmbH, incorporated in Germany.

The ultimate parent undertaking and ultimate controlling party of the Company for the period under review was Wilh. Wehahn KG, incorporated in Germany. Copies of the consolidated financial statements are available to the public and may be obtained from Wilh. Wehahn KG, Königstraße 1, 41460 Neuss, Germany.

**22. Transition to FRS 102**

This is the year that the Company has prepared its financial statements under FRS 102. The last financial statements under UK GAAP were for the year ended 31 December 2015. The date of transition to FRS 102 was 1 January 2015.

The details of the basis of preparation, accounting policies applied and the qualifying exemptions utilised are included in note 3.

The transition to FRS 102 has had no effect on the statement of comprehensive income, net assets or equity.