

COMPANIES HOUSE COPY

**Partex Marking Systems (UK) Limited**

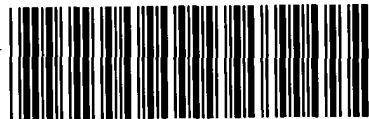
Report and Financial Statements

Year Ended

31 December 2018

Company Number 00850894

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COMPANIES HOUSE

# **Partex Marking Systems (UK) Limited**

## **Report and financial statements for the year ended 31 December 2018**

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### **Directors**

N P Thompson  
K E M Persson  
E O Haglund

### **Registered office**

61-64 Station Road, Coleshill, Birmingham, B46 1JT

### **Company number**

00850894

### **Auditors**

BDO LLP, Two Snowhill, Birmingham, B4 6GA

# Partex Marking Systems (UK) Limited

## Statement of financial position at 31 December 2018

<b>Company number 00850894</b>	<b>Note</b>	<b>2018 £</b>	<b>2018 £</b>	<b>2017 £</b>	<b>2017 £</b>
<b>Fixed assets</b>					
Intangible assets	11		58,482		6,921
Tangible assets	12		239,525		323,128
<b>Current assets</b>					
Stocks	13	2,026,313		1,999,506	
Debtors	14	1,598,944		1,298,372	
Cash at bank and in hand	15	376,098		326,973	
		<u>4,001,355</u>		<u>3,624,851</u>	
<b>Creditors: amounts falling due within one year</b>	16	<u>(1,485,916)</u>		<u>(1,355,264)</u>	
<b>Net current assets</b>			<u>2,515,439</u>		<u>2,269,587</u>
<b>Total assets less current liabilities</b>			<u>2,813,446</u>		<u>2,599,636</u>
Provisions for liabilities	18		(29,983)		(29,875)
<b>Net assets</b>			<u><u>2,783,463</u></u>		<u><u>2,569,761</u></u>
<b>Capital and reserves</b>					
Called up share capital	19		25,000		25,000
Profit and loss account			2,758,463		2,544,761
<b>Shareholders' funds</b>			<u><u>2,783,463</u></u>		<u><u>2,569,761</u></u>

The accounts have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The company's annual accounts and reports have been delivered to the registrar in accordance with the provisions of the Companies Act 2006 applicable to companies subject to the small companies regime.

A copy of the company's profit and loss account has not been delivered to the registrar of companies.

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

  
N.P. Thompson  
Director

19 March 2019

The notes on pages 3 to 13 form part of these financial statements.

# Partex Marking Systems (UK) Limited

## Statement of changes in equity for the year ended 31 December 2018

### Year ended 31 December 2018

	Share capital £	Profit and loss account £	Total equity £
<b>1 January 2018</b>	<b>25,000</b>	<b>2,544,761</b>	<b>2,569,761</b>
<b>Comprehensive income for the year</b>			
Profit for the year		463,702	463,702
<b>Contributions by and distribution to owners</b>			
Dividends: Equity capital (note 10)	-	(250,000)	(250,000)
<b>31 December 2018</b>	<b>25,000</b>	<b>2,758,463</b>	<b>2,783,463</b>

### Year ended 31 December 2017

	Share capital £	Profit and loss account £	Total equity £
<b>1 January 2017</b>	<b>25,000</b>	<b>2,630,856</b>	<b>2,655,856</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	313,905	313,905
<b>Contributions by and distribution to owners</b>			
Dividends: Equity capital (note 10)	-	(400,000)	(400,000)
<b>31 December 2017</b>	<b>25,000</b>	<b>2,544,761</b>	<b>2,569,761</b>

The purpose of each reserve within equity is as follows:

Share Capital	The nominal value of allotted and fully paid up ordinary share capital
Profit and loss account	Cumulative net gains and losses recognised in the statement of comprehensive income

The notes on pages 3 to 13 form part of these financial statements.

# Partex Marking Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2018

### 1 Accounting policies

#### 1.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland; under the historical cost convention and in accordance with the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following principal accounting policies have been consistently applied:

#### 1.2 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 and value added tax. Revenue is recognised from the sale of goods when the entity has transferred to the buyer the significant risks and rewards of ownership of the goods. This occurs when the buyer, or their agent, takes possession of the goods.

#### 1.3 Tangible fixed assets

Tangible fixed assets 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. The depreciation policies range as follows:

Long-term leasehold property	- Over the term of the lease
Plant and machinery	- 15% straight line
Motor vehicles	- 20% straight line
Fixtures and fittings	- 10% - 25% straight line
Computer equipment	- 25% on hardware, 10% straight line on software

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 within 'administrative expenses' in the Statement of Comprehensive Income.

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine where there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's or cash generating units (CGU) fair value less costs to sell and value in use. For the purposes in assessing impairment, assets grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

# Partex Marking Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

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### 1 Accounting policies (*continued*)

#### 1.4 Operating leases: Lessee

Rentals paid under operating leases are charged to the profit or loss on a straight line basis over the period of the lease.

#### 1.5 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.

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 profit or loss.

#### 1.6 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 1.7 Financial instruments

##### *Basic financial instruments*

Financial assets comprise cash at bank and in hand, trade debtors and amounts owed by group undertakings; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost. The company considers evidence of impairment of all trade and other debtors and amounts owed by company undertakings, and any subsequent impairment is recognised in profit or loss.

##### *Impairment of financial assets carried at amortised cost*

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

##### *Financial liabilities*

Financial liabilities comprise trade creditors, amounts due to group undertakings and accruals; these are initially recorded at cost on the date they originate and are subsequently carried at amortised cost.

# Partex Marking Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

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### **1 Accounting policies (*continued*)**

#### **1.8 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

#### **1.9 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 entity's functional currency using the exchange rates prevailing 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.

#### **1.10 Dividends**

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

#### **1.11 Pensions**

##### *Defined contribution pension plan*

Contributions to defined contribution pension schemes 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 Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

# Partex Marking Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (*continued*)

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### 1 Accounting policies (*continued*)

#### 1.12 Current and deferred taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change 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 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 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 income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

### 2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. The significant judgements, estimates and assumptions are:

- Tangible fixed assets

Tangible fixed assets are depreciated over their useful lives taking into account residual values where appropriate. The actual lives of these assets are assessed annually and may vary depending on a number of factors. In assessing asset lives, factors such as life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as the remaining life of the asset and projected disposal values.

- Stock impairment

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.

- Trade debtors recoverability

At each reporting date, trade debtors are assessed for recoverability. If there is any evidence of impairment, the carrying amount of the debtor is reduced to its recoverable amount. The impairment loss is recognised immediately in the Statement of Comprehensive Income.



# Partex Marking Systems (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2018 (continued)

## 3 Analysis of turnover

The proportion of turnover that is attributable to markets outside the United Kingdom is 36% (2017 - 27%).

## 4 Operating profit

	2018 £	2017 £
The operating profit is stated after charging/(crediting):		
Depreciation and amortisation	95,589	92,685
Hire of other assets - operating leases	118,389	111,459
Fees payable to the company's auditor and its associates for the audit of the company's annual accounts	16,700	8,000
Fees payable to the company's auditor and its associates for other services:		
- Taxation compliance services	4,700	3,127
Defined contribution pension cost	87,212	97,753
Profit on disposal of fixed assets	-	-
	<hr/>	<hr/>

## 5 Employees

	2018 £	2017 £
Staff costs including directors' remuneration were as follows:		
Wages and salaries	1,034,100	1,058,036
Social security costs	118,432	118,711
Cost of defined contribution scheme	87,712	97,753
	<hr/>	<hr/>
	1,240,244	1,274,500
	<hr/>	<hr/>

The average monthly number of employees, including the directors, during the year was 38 (2017 - 36).

## 6 Directors' remuneration

	2018 £	2017 £
Directors' remuneration consist of:		
Aggregate emoluments, pension contributions and amounts receivable under long term incentive schemes	157,637	211,684
Company contributions to money purchase schemes	28,433	44,518
	<hr/>	<hr/>

There were 2 directors in the company's defined contribution pension scheme during the year (2017 - 2).

The total amount payable to the highest paid director was £ 92,184 (2017 - £130,166). Company pension contributions of £ 10,375 (2017 - £18,058) were made to the company's defined contribution pension scheme on his behalf.

# Partex Marking Systems (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2018 (continued)

<b>7</b>	<b>Interest receivable</b>	<b>2018 £</b>	<b>2017 £</b>
	Other interest receivable	2,300	795
<b>8</b>	<b>Interest payable and similar charges</b>	<b>2018 £</b>	<b>2017 £</b>
	Bank interest payable	1,175	1,045
<b>9</b>	<b>Taxation on profit from ordinary activities</b>	<b>2018 £</b>	<b>2017 £</b>
	<b>Corporation tax</b>		
	Current tax on profits for the year	113,647	87,368
	Adjustment in respect of previous periods	-	(1,032)
	<b>Total current taxation</b>	<b>113,647</b>	<b>86,336</b>
	<b>Deferred tax</b>		
	Origination and reversal of timing differences	108	(6,585)
	Adjustment in respect of previous periods	-	(31)
	<b>Total deferred taxation</b>	<b>108</b>	<b>(6,616)</b>
	<b>Taxation on profit on ordinary activities</b>	<b>113,755</b>	<b>79,720</b>
	<b>Factors affecting tax charge for the year</b>		
	The tax assessed for the year is higher (2017 - higher) than the standard rate of corporation tax in the UK of 19% (2017 – 19.25%). The differences are explained below:		
		<b>2018 £</b>	<b>2017 £</b>
	Profit on ordinary activities before tax	577,457	393,625
	Profit on ordinary activities at the standard rate of corporation tax in the UK of 19 % (2017 – 19.25%)	109,717	75,759
	Effects of:		
	Fixed asset differences	3,869	3,920
	Expenses not deductible for tax purposes	181	234
	Change of tax rates	(12)	870
	Corporation tax adjustment in respect of previous periods	-	(1,032)
	Deferred tax adjustment in respect of previous periods	-	(31)
	<b>Total tax charge for year</b>	<b>113,755</b>	<b>79,720</b>

# Partex Marking Systems (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2018 (*continued*)

## 10 Dividends

	2018 £	2017 £
Interim paid of £10 (2017 - £16) per share	250,000	400,000

## 11 Intangible assets

	Computer £	Total £
<i>Cost</i>		
At 1 January 2018	21,000	21,000
Additions	65,100	65,100
At 31 December 2018	86,100	86,100
<i>Amortisation</i>		
At 1 January 2018	14,079	14,079
Charge for the period	9,246	9,246
Impairment of asset	4,293	4,293
At 31 December 2018	27,618	27,618
<i>Net book value</i>		
At 31 December 2018	58,482	58,482
At 31 December 2017	6,921	6,921

# Partex Marking Systems (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2018 (continued)

## 12 Tangible fixed assets

	Improvements to leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<i>Cost</i>					
At 1 January 2018	433,177	372,617	136,447	132,831	1,075,072
Additions	-	2,740	-	-	2,740
At 31 December 2018	<b>433,177</b>	<b>375,357</b>	<b>136,447</b>	<b>132,831</b>	<b>1,077,812</b>
<i>Depreciation</i>					
At 1 January 2018	331,350	227,873	79,829	112,892	751,944
Charge for the period	20,365	40,282	21,804	3,892	86,343
At 31 December 2018	<b>351,716</b>	<b>268,155</b>	<b>101,633</b>	<b>116,784</b>	<b>838,287</b>
<i>Net book value</i>					
At 31 December 2018	<b>81,461</b>	<b>107,202</b>	<b>34,814</b>	<b>16,047</b>	<b>239,525</b>
At 31 December 2017	101,827	144,744	56,618	19,939	330,049

The net book value of improvements to leasehold property may be further analysed as follows:

	2018 £	2017 £
Long leasehold	<b>81,461</b>	101,827

# Partex Marking Systems (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2018 (continued)

## 13 Stocks

	2018 £	2017 £
Finished goods and goods for resale	2,026,313	1,999,506

There is no material difference between the replacement cost of stocks and the amounts stated above.

The cost of inventories expensed in the period and included in cost of sales was £ 5,459,496 (2017 - £4,452,066). Stock provisions included in cost of sales amounted to £Nil (2017 - £20,272).

## 14 Debtors

	2018 £	2017 £
Trade debtors	1,358,444	1,142,651
Amounts owed by group undertakings	181,135	100,517
Prepayments and accrued income	59,135	55,204
	1,598,944	1,298,372

The impairment loss recognised in respect of bad and doubtful debts included in administrative expenses was £ 8,114 (2017 - £9,788).

## 15 Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	376,098	326,973

## 16 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	1,091,106	913,548
Amounts owed to group undertakings	239,911	306,873
Corporation tax	63,378	25,753
Taxation and social security	28,988	71,986
Accruals and deferred income	62,533	37,104
	1,485,916	1,355,264

# Partex Marking Systems (UK) Limited

Notes forming part of the financial statements  
for the year ended 31 December 2018 (continued)

## 17 Financial instruments

	2018 £	2017 £
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>1,915,907</u>	<u>1,570,141</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>(1,393,550)</u>	<u>(1,257,525)</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, trade debtors and amounts due from group undertakings.

Financial liabilities measured at amortised cost comprise trade creditors, amounts payable to group undertakings and accruals.

## 18 Provisions for liabilities

	Deferred tax £
At 1 January 2018	29,875
Charge to profit or loss	108
	<u>29,983</u>
<b>At 31 December 2018</b>	<b>29,983</b>
<b>Deferred taxation</b>	
	2018 £
Accelerated capital allowances - tax	<u>29,983</u>

## 19 Share capital

	2018 £	2017 £
<b>Allotted, called up and fully paid</b>		
25,000 Ordinary shares of £1 each	<u>25,000</u>	<u>25,000</u>

## 20 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 £ 87,712 (2017 - £97,953).

Contributions totalling £ 9,011 (2017 - £200) were payable to the fund at the reporting date.

# Partex Marking Systems (UK) Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 21 Commitments under operating leases

At 31 December 2018 the company had total commitments under non-cancellable operating leases as follows:

	2018 £	2017 £
Less than 1 year	115,463	101,094
Later than 1 year and not later than 5 years	390,164	389,670
Later than 5 years	-	48,215
	<u>505,627</u>	<u>538,979</u>

### 22 Capital commitments

The company had capital commitments for the purchase of plant and machinery of £ Nil (2017 - £Nil).

### 23 Controlling party

The company is a subsidiary of Partex Marking Systems AB which is incorporated in Sweden and its registered address is Tore Lööfs gata 2, 547 31 Gullspång, Sweden. The company's ultimate parent company is Nordfas Invest AB which is also incorporated in Sweden and its registered address is Tore Lööfs gata 2, 547 21 Gullspång, Sweden.

### 24 Related party transactions

The company is a wholly owned subsidiary of Partex Marking Systems AB and has taken advantage of the exemption not to disclose transactions with its parent company or other wholly owned subsidiaries within the group.

Key management personnel include all directors of the company. The total compensation paid in respect of key management personnel for services to the company is the amount as disclosed in note 6 of the financial statements plus employer national insurance of £12,921 (2017 - £17,635).

### 25 Audit report

An audit of the company's financial statements was carried out by BDO LLP as statutory auditor who reported to the company's members on 25 March 2019.

The auditor's report was signed by Teresa Darby as senior statutory auditor and was unqualified.