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**LUTZ (U.K.) LIMITED**

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**FINANCIAL STATEMENTS**  
**INFORMATION FOR FILING WITH THE REGISTRAR**  
**FOR THE YEAR ENDED 31 DECEMBER 2017**



**LUTZ (U.K.) LIMITED**  
**REGISTERED NUMBER: 02236496**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2017**

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible Fixed Assets	5	3,728	2,202
		<u>3,728</u>	<u>2,202</u>
<b>Current assets</b>			
Stocks	6	83,210	85,280
Debtors: amounts falling due within one year	7	256,473	252,888
Cash at bank and in hand	8	136,245	104,422
		<u>475,928</u>	<u>442,590</u>
Creditors: amounts falling due within one year	9	(204,125)	(178,024)
<b>Net current assets</b>		<u>271,803</u>	<u>264,566</u>
<b>Total assets less current liabilities</b>		<u>275,531</u>	<u>266,768</u>
<b>Net assets</b>		<u><u>275,531</u></u>	<u><u>266,768</u></u>
<b>Capital and reserves</b>			
Called up share capital		1,225	1,225
Profit and loss account		274,306	265,543
		<u>275,531</u>	<u>266,768</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

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

  
 .....  
**Mr T Singh**  
 Director

Date: *22 May 2018*

The notes on pages 3 to 10 form part of these financial statements.

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## LUTZ (U.K.) LIMITED

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

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	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2016	1,225	238,795	240,020
Comprehensive income for the year			
Profit for the year	-	26,748	26,748
At 1 January 2017	1,225	265,543	266,768
Comprehensive income for the year			
Profit for the year	-	8,763	8,763
At 31 December 2017	1,225	274,306	275,531

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# LUTZ (U.K.) LIMITED

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

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### 1. General information

Lutz (U.K.) Limited is a limited company incorporated in England and Wales. The address of its registered office and principal place of business are disclosed on the company information page of these financial statements. The principal activity of the company is that of the sale and distribution of industrial equipment and machinery.

### 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 Section 1A of 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 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.

#### 2.3 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.

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## LUTZ (U.K.) LIMITED

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

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#### 2. Accounting policies (continued)

##### 2.3 Tangible fixed assets (continued)

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

Depreciation is provided on the following basis:

Motor vehicles	-	25% Reducing balance
Fixtures and fittings	-	15% Reducing balance
Computer equipment	-	33% 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.

##### 2.4 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.

##### 2.5 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

##### 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 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid

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# LUTZ (U.K.) LIMITED

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

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### 2. Accounting policies (continued)

#### 2.7 Financial instruments (continued)

or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Investments in non-convertible preference shares and in non-puttable ordinary and preference shares are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are 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 Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a 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.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

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.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

#### 2.8 Creditors

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

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## **LUTZ (U.K.) LIMITED**

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

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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 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'.

##### **2.10 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.

##### **2.11 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 the Statement of Comprehensive Income 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.

##### **2.12 Interest income**

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

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# **LUTZ (U.K.) LIMITED**

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

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

#### **2.13 Taxation**

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 balance sheet date in the countries where the Company operates and generates income.

### **3. Judgments in applying accounting policies and key sources of estimation uncertainty**

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors confirm there are no 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 year.

### **4. Employees**

The average monthly number of employees, including directors, during the year was 5 (2016 - 5).



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## LUTZ (U.K.) LIMITED

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

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#### 5. Tangible fixed assets

	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost</b>				
At 1 January 2017	603	15,989	18,677	35,269
Additions	-	200	2,770	2,970
Disposals	(603)	-	-	(603)
At 31 December 2017	-	16,189	21,447	37,636
<b>Depreciation</b>				
At 1 January 2017	601	14,244	18,222	33,067
Charge for the year on owned assets	-	292	1,151	1,443
Disposals	(601)	-	-	(601)
At 31 December 2017	-	14,536	19,373	33,909
<b>Net book value</b>				
At 31 December 2017	-	1,653	2,074	3,727
At 31 December 2016	2	1,746	455	2,203

#### 6. Stocks

	2017 £	2016 £
Finished goods and goods for resale	83,210	85,280
	83,210	85,280

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## LUTZ (U.K.) LIMITED

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

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#### 7. Debtors

	2017 £	2016 £
Trade debtors	122,626	121,683
Amounts owed by group undertakings	124,569	125,246
Prepayments and accrued income	9,278	5,960
	<u>256,473</u>	<u>252,889</u>

#### 8. Cash and cash equivalents

	2017 £	2016 £
Cash at bank and in hand	136,245	104,422
	<u>136,245</u>	<u>104,422</u>

#### 9. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	4,506	5,775
Amounts owed to group undertakings	165,632	132,724
Corporation tax	1,121	-
Other taxation and social security	26,494	30,700
Other creditors	79	-
Accruals and deferred income	6,293	8,825
	<u>204,125</u>	<u>178,024</u>

#### 10. Pension commitments

The Company operates a defined contribution pension scheme. Pension costs of £2,340 (2016 £12,084), representing contributions payable to the fund, were charged in the profit and loss account during the year. An amount of £79 was due payable to the pension fund as at 31 December 2017 (2016: £nil).

#### 11. Controlling party

The company shares are held by Lutz Holding GmbH, a company registered in Germany, and the ultimate parent undertaking.

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## **LUTZ (U.K.) LIMITED**

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

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#### **12. Auditors' information**

The auditor's report on the financial statements for the year ended 31 December 2017 was unqualified. The audit report was signed by Ian Holder on behalf of Mazars LLP on 11 June 2018.