

**REGISTERED NUMBER: 02763471 (England and Wales)**

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017  
FOR  
BIESSE GROUP UK LIMITED**

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FOR THE YEAR ENDED 31 DECEMBER 2017**

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**DIRECTORS:**

S R Bulmer  
C Berardi  
P Carson

**SECRETARY:**

P Carson

**REGISTERED OFFICE:**

Lamport Drive  
Daventry  
Northamptonshire  
NN11 8YZ

**REGISTERED NUMBER:**

02763471 (England and Wales)

**AUDITORS:**

DNG Dove Naish, Statutory Auditor  
Eagle House  
28 Billing Road  
Northampton  
NN1 5AJ

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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

**REVIEW OF BUSINESS**

The Company has invested significantly in sales and support staff to drive growth and enhance customer service.

The Company has performed slightly below expectations in 2017 with some customers exhibiting uncertainty over capital investment strategies. As a result, the Company's profit reduced year on year by 27%.

The Company finished 2017 with a strong order book for 2018 and the Directors anticipate positive rewards to come from investments in sales and support staff.

The net position of the Company has reduced to £1,430,860.

Details of the amounts due from and owed to the parent Company are shown in notes 13 and 14 respectively.

**PRINCIPAL RISKS AND UNCERTAINTIES**

UK market conditions are a continuing risk for the Company. The Company manages risk by providing added value services to its customers, having fast response times not only in supplying products but in handling all customer queries and by maintaining strong relationships with customers.

Some sales are made in Euros and the company is therefore exposed to the movement in the Euro to Pound exchange rate. The Group's treasury function takes out contracts to manage this risk at a group level.

Credit risk arises on assets such as trade receivables. Policies and procedures exist to ensure that the trade debtors have an appropriate credit history.

**ENVIRONMENT**

The Biesse S.p.A group recognises the importance of its environmental responsibilities, monitors its impact on the environment, and designs and implements policies to reduce any damage that might be caused by the group's activities. The company operates in accordance with group policies, which are described in the group's Annual Report, which do not form part of this Report.

**SIGNED BY ORDER OF THE DIRECTORS:**

P Carson - Director

20 February 2018

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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The directors present their report with the financial statements of the company for the year ended 31 December 2017.

**PRINCIPAL ACTIVITY**

The company is a wholly owned subsidiary of Biesse S.p.A and operates as the UK subsidiary of the group.

The Company's principal activities are the selling and servicing of capital machinery to the wood, glass, stone and advanced materials industries in the UK and Ireland. There have not been any significant changes in the company's principal activities in the year under review. The directors are not aware of, at the date of this report, any likely major changes in the company's activities in the next year.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2017 will be £ 1,100,000 .

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2017 to the date of this report.

S R Bulmer  
C Berardi

Other changes in directors holding office are as follows:

P Carson - appointed 19 April 2017

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

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**AUDITORS**

The auditors, DNG Dove Naish, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**SIGNED BY ORDER OF THE DIRECTORS:**

P Carson - Director

20 February 2018

### **Opinion**

We have audited the financial statements of Biesse Group UK Limited (the 'company') for the year ended 31 December 2017 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

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

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Opinion on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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

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

**Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page three, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

**Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

Ian Robson (Senior Statutory Auditor)  
for and on behalf of DNG Dove Naish, Statutory Auditor  
Eagle House  
28 Billing Road  
Northampton  
NN1 5AJ

21 February 2018



**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2017**

	Notes	2017 £	2016 £
<b>TURNOVER</b>	3	30,715,434	35,544,774
Cost of sales		<u>23,538,378</u>	<u>28,427,697</u>
<b>GROSS PROFIT</b>		7,177,056	7,117,077
Administrative expenses		<u>6,262,820</u>	<u>5,845,059</u>
<b>OPERATING PROFIT</b>	5	914,236	1,272,018
Interest receivable and similar income	7	<u>30,055</u>	<u>26,644</u>
		944,291	1,298,662
Interest payable and similar expenses	8	<u>15</u>	<u>-</u>
<b>PROFIT BEFORE TAXATION</b>		944,276	1,298,662
Tax on profit	9	<u>203,801</u>	<u>221,032</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		740,475	1,077,630
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u>740,475</u>	<u>1,077,630</u>

**STATEMENT OF FINANCIAL POSITION**  
**31 DECEMBER 2017**

	Notes	2017 £	£	2016 £	£
<b>FIXED ASSETS</b>					
Tangible assets	11		552,476		614,709
<b>CURRENT ASSETS</b>					
Stocks	12	1,454,535		1,609,404	
Debtors	13	11,260,776		15,289,237	
Cash at bank and in hand		84,206		116,444	
		<u>12,799,517</u>		<u>17,015,085</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>9,810,646</u>		<u>14,107,820</u>	
<b>NET CURRENT ASSETS</b>			<u>2,988,871</u>		<u>2,907,265</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			3,541,347		3,521,974
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(2,088,338)		(1,702,238)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(22,149)</u>		<u>(29,351)</u>
<b>NET ASSETS</b>			<u>1,430,860</u>		<u>1,790,385</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		655,019		655,019
Retained earnings	20		<u>775,841</u>		<u>1,135,366</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>1,430,860</u>		<u>1,790,385</u>

The financial statements were approved by the Board of Directors on 20 February 2018 and were signed on its behalf by:

S R Bulmer - Director

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

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2016</b>	655,019	757,736	1,412,755
<b>Changes in equity</b>			
Dividends	-	(700,000)	(700,000)
Total comprehensive income	-	1,077,630	1,077,630
<b>Balance at 31 December 2016</b>	655,019	1,135,366	1,790,385
<b>Changes in equity</b>			
Dividends	-	(1,100,000)	(1,100,000)
Total comprehensive income	-	740,475	740,475
<b>Balance at 31 December 2017</b>	655,019	775,841	1,430,860

**STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

		2017 £	2016 £
	Notes		
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,342,034	982,286
Interest paid		(15)	-
Tax paid		(218,808)	(119,093)
Net cash from operating activities		<u>1,123,211</u>	<u>863,193</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(85,504)	(82,950)
Interest received		30,055	26,644
Net cash from investing activities		<u>(55,449)</u>	<u>(56,306)</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		(1,100,000)	(700,000)
Net cash from financing activities		<u>(1,100,000)</u>	<u>(700,000)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(32,238)</u>	<u>106,887</u>
<b>Cash and cash equivalents at beginning of year</b>	2	116,444	9,557
<b>Cash and cash equivalents at end of year</b>	2	<u>84,206</u>	<u>116,444</u>

**NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2017**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2017	2016
	£	£
Profit before taxation	944,276	1,298,662
Depreciation charges	94,850	88,102
Loss on disposal of fixed assets	52,886	-
Finance costs	15	-
Finance income	(30,055)	(26,644)
	<u>1,061,972</u>	<u>1,360,120</u>
Decrease/(increase) in stocks	154,869	(255,430)
Decrease/(increase) in trade and other debtors	4,028,463	(3,681,665)
(Decrease)/increase in trade and other creditors	<u>(3,903,270)</u>	<u>3,559,261</u>
<b>Cash generated from operations</b>	<u><u>1,342,034</u></u>	<u><u>982,286</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 31 December 2017**

	31/12/17	1/1/17
	£	£
Cash and cash equivalents	<u>84,206</u>	<u>116,444</u>

**Year ended 31 December 2016**

	31/12/16	1/1/16
	£	£
Cash and cash equivalents	<u>116,444</u>	<u>9,557</u>

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

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**1. STATUTORY INFORMATION**

Biesse Group UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemption in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

**Significant judgements and estimates**

The preparation of financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company 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 within the individual accounting policies below.

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2.5% on cost
Long leasehold	- 10% on cost
Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Computer equipment	- 25% - 33.3% on cost

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date. The selection of these residual values and estimated lives requires the exercise of judgement. The directors are required to assess whether there is an indication of impairment to the carrying value of assets. In making that assessment, judgements are made in estimating value in use. The directors consider that the individual carrying values of assets are supportable by their value in use.

Freehold land is not depreciated.

**Stocks**

Stocks are valued at the lower of cost and net realisable value.

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

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**2. ACCOUNTING POLICIES - continued**

**Financial instruments**

Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the statement of comprehensive income under administrative expenses.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

Contributions payable to money purchase schemes are charged against profits as they become due.

**Warranty provisions**

Warranty provisions are being released at 25% per year over years 2 to 5 of their 5 year life.

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

**3. TURNOVER**

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

An analysis of turnover by geographical market is given below:

	2017 £	2016 £
United Kingdom	25,232,652	33,754,600
Other EC Countries	5,482,782	1,790,174
	<u>30,715,434</u>	<u>35,544,774</u>

**4. EMPLOYEES AND DIRECTORS**

	2017 £	2016 £
Wages and salaries	3,730,057	3,373,565
Social security costs	407,818	419,857
Other pension costs	45,233	50,296
	<u>4,183,108</u>	<u>3,843,718</u>

The average number of employees during the year was as follows:

	2017	2016
Administration	7	6
Sales and support staff	84	72
	<u>91</u>	<u>78</u>

	2017 £	2016 £
Directors' remuneration	245,341	213,943
Directors' pension contributions to money purchase schemes	<u>3,765</u>	<u>31,829</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2017 £	2016 £
Emoluments etc	171,898	157,830
Pension contributions to money purchase schemes	<u>1,363</u>	<u>1,475</u>



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

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2017	2016
	£	£
Hire of plant and machinery	5,790	8,239
Other operating leases	16,500	30,387
Depreciation - owned assets	94,851	88,102
Loss on disposal of fixed assets	15,523	-
Foreign exchange differences	<u>(185,186)</u>	<u>(88,812)</u>

**6. AUDITORS' REMUNERATION**

	2017	2016
	£	£
Fees payable to the company's auditors for the audit of the company's financial statements	<u>35,496</u>	<u>35,610</u>

	2017	2016
DNG Dove Naish	10,820	10,610
KPMG	24,676	25,000
	<u>35,496</u>	<u>35,610</u>

**7. INTEREST RECEIVABLE AND SIMILAR INCOME**

	2017	2016
	£	£
Deposit account interest	9	216
Group loan interest	<u>30,046</u>	<u>26,428</u>
	<u>30,055</u>	<u>26,644</u>

**8. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2017	2016
	£	£
Bank interest	<u>15</u>	<u>-</u>

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

9. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2017 £	2016 £
Current tax:		
UK corporation tax	253,089	270,893
Over/under provision in prior year	278	(3,037)
R&D corporation tax refund	(42,363)	(47,453)
Total current tax	<u>211,004</u>	<u>220,403</u>
Deferred tax	(7,203)	629
Tax on profit	<u>203,801</u>	<u>221,032</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2017 £	2016 £
Profit before tax	<u>944,276</u>	<u>1,298,662</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2016 - 20%)	179,412	259,732
Effects of:		
Expenses not deductible for tax purposes	58,908	6,723
Depreciation in excess of capital allowances	14,769	2,760
Adjustments to tax charge in respect of previous periods	278	(3,038)
Deferred tax	(7,203)	629
R&D tax refund	(42,363)	(47,452)
Over provision	-	1,678
Total tax charge	<u>203,801</u>	<u>221,032</u>

10. DIVIDENDS

	2017 £	2016 £
Interim	<u>1,100,000</u>	<u>700,000</u>

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

11. TANGIBLE FIXED ASSETS

	Freehold property £	Freehold land £	Long leasehold £
<b>COST</b>			
At 1 January 2017	594,991	111,300	-
Additions	23,935	-	2,345
Disposals	(37,363)	-	-
At 31 December 2017	<u>581,563</u>	<u>111,300</u>	<u>2,345</u>
<b>DEPRECIATION</b>			
At 1 January 2017	260,119	-	-
Charge for year	16,944	-	101
Eliminated on disposal	-	-	-
At 31 December 2017	<u>277,063</u>	<u>-</u>	<u>101</u>
<b>NET BOOK VALUE</b>			
At 31 December 2017	<u>304,500</u>	<u>111,300</u>	<u>2,244</u>
At 31 December 2016	<u>334,872</u>	<u>111,300</u>	<u>-</u>

	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>				
At 1 January 2017	160,562	201,904	216,321	1,285,078
Additions	26,900	2,957	29,367	85,504
Disposals	-	(77,612)	-	(114,975)
At 31 December 2017	<u>187,462</u>	<u>127,249</u>	<u>245,688</u>	<u>1,255,607</u>
<b>DEPRECIATION</b>				
At 1 January 2017	89,515	150,990	169,745	670,369
Charge for year	19,723	24,298	33,785	94,851
Eliminated on disposal	-	(62,089)	-	(62,089)
At 31 December 2017	<u>109,238</u>	<u>113,199</u>	<u>203,530</u>	<u>703,131</u>
<b>NET BOOK VALUE</b>				
At 31 December 2017	<u>78,224</u>	<u>14,050</u>	<u>42,158</u>	<u>552,476</u>
At 31 December 2016	<u>71,047</u>	<u>50,914</u>	<u>46,576</u>	<u>614,709</u>

12. STOCKS

	2017 £	2016 £
Stocks	<u>1,454,535</u>	<u>1,609,404</u>

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

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade debtors	3,242,674	8,700,352
Bad debt provision	(119,437)	(18,583)
Other debtors	12,390	11,680
Amount due from parent undertakings	6,539,251	4,993,081
Amount due from other group undertakings	80,170	54,803
Prepayments and accrued income	1,505,728	1,547,904
	<u>11,260,776</u>	<u>15,289,237</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2017 £	2016 £
Trade creditors	502,514	525,646
Tax	203,089	210,893
Social security and other taxes	112,304	114,967
VAT	617,360	1,811,165
Other creditors	756,478	426,279
Amount owed to parent undertakings	3,515,180	7,297,051
Amounts owed to other group undertakings	136,546	307,485
Accruals and deferred income	3,967,175	3,414,334
	<u>9,810,646</u>	<u>14,107,820</u>

**15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2017 £	2016 £
Accruals and deferred income	<u>2,088,338</u>	<u>1,702,238</u>

**16. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2017 £	2016 £
Within one year	131,924	128,575
Between one and five years	146,228	72,890
	<u>278,152</u>	<u>201,465</u>

**17. SECURED DEBTS**

National Westminster Bank hold a fixed and floating charge over all the assets of the company dated 23rd April 2014.

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

18. **PROVISIONS FOR LIABILITIES**

	2017 £	2016 £
Deferred tax	<u>22,149</u>	<u>29,351</u>
		Deferred tax £
Balance at 1 January 2017		29,351
Provided during year		(7,202)
Balance at 31 December 2017		<u>22,149</u>

19. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2017 £	2016 £
Number:	Class:	Nominal value:		
655,019	Ordinary	£1	<u>655,019</u>	<u>655,019</u>

20. **RESERVES**

	Retained earnings £
At 1 January 2017	1,135,366
Profit for the year	740,475
Dividends	(1,100,000)
At 31 December 2017	<u>775,841</u>

21. **ULTIMATE PARENT COMPANY**

The directors consider that the immediate controlling party of this company is the parent company Biesse S.p.A., which is incorporated in Italy and listed on the Italian stock market.  
Copies of the financial statements can be obtained from Biesse S.p.A., 61100 Pesaro, Italy.

The ultimate parent undertaking is Bi. Fin. S.r.l., a company registered in Italy.

22. **RELATED PARTY DISCLOSURES**

As a wholly owned subsidiary of Biesse S.p.A., the company is exempt from the requirements of FRS 102 to disclose transactions with other members of the group headed by Biesse S.p.A.

During the year, a total of key management personnel compensation of £ 521,743 (2016 - £ 587,925 ) was paid.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.