

DKSH Great Britain Limited

Report and Financial Statements

Year Ended

31 December 2016

Company Number 00287620

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DKSH Great Britain Limited

Company Information

Directors	T H D Sul J H Roemling
Company secretary	Temple Secretarial Limited
Registered number	00287620
Registered office	16 Old Bailey London EC4M 7EG
Independent auditor	Ernst & Young LLP 1 More London Place London SE1 2AF

DKSH Great Britain Limited

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Strategic report
For the Year Ended 31 December 2016

Business review

The profit for the year, after taxation is £358,940 (2015 - loss £599,015).

2016 has been a turnaround year. After three years with a substantial loss, DKSH Great Britain Limited has been profitable this year. The business was positively impacted by changes on its operations. The change in strategy and business line structure resulted in costs savings and business growth for the core business lines.

The financial statement are been prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the company has taken advantage of the disclosure to exemptions allowed under this standard.

The Specialty Chemicals (SCI) business line has driven DKSH Great Britain Limited's growth. Net sales has increased by 74% and gross margin grew by 53%. It now represented 76% of our total gross margin.

The Food, Beverage Ingredients (FBI) business line has been restructured in the middle of 2015 and it continued in 2016. The strategy resulted in a cost saving of 36% and EBIT improved by 31%.

Personal Care (PCI) business line increased its net sales by 11% and EBIT improved by 63%. In 2016 it was loss making but the achievable forecast for 2017 is a positive EBIT.

Pharmaceutical Ingredients (PHI) was not satisfactory and steps are being taken to improve performance.

Initiatives have been taken to increase customer visits and the sales pipeline, with a focus on the right products and markets.

Further process improvements were implemented, such as software implementation for trade and non-trade purchase approvals, sales support training to improve performance and we continued with the month risk assessment.

DKSH Great Britain moved its office from Wimbledon to London Bridge in March 2017. The dilapidation costs were mainly covered by the landlord.

Principal risks and uncertainties

The Directors consider the principal risks and uncertainties facing the Company to be the capital exposure to foreign exchange rate movements which affect the margin earned by the company. The Company manages this risk through the use of foreign exchange hedges for all trades above CHF 10,000. There is also a risk faced from the possibility of redundant stock and the associated write offs. Although this has been reduced by strictly following the processes of buying unsold stocks only if a certain number of buying customers exists.

The company manages its exposure to credit risk through credit insurance and internal control procedures to debt collection.

Financial instruments

The Company's financial instruments comprise of cash, intercompany creditors and other items such as trade debtors and creditors that arise directly from its operations. Derivative instruments in the form of forward contracts are held to manage foreign exchange risk as noted above. The DKSH Group manages its liquidity and cash flow risk through the use of its central finance centre in Singapore, borrowing as and when required. The Company manages credit risk through regular monitoring of amounts outstanding for both time and credit limits.

This report was approved by the board on 7 June 2017 and signed on its behalf.


.....
J H Roemling
Director

DKSH Great Britain Limited

Directors' Report For the Year Ended 31 December 2016

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

DKSH Great Britain Limited's principal activity is specialized wholesale trade.

Directors' responsibilities statement

The Directors are responsible for preparing the strategic report, the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the Directors must not approve the financial statements unless 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 judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

Results and dividends

The profit for the year, after taxation, amounted to £358,940 (2015 - loss £599,015).

Directors

The Directors who served during the year were:

TH D Sul
J H Roemling

Going concern

The financial statements have been prepared on the going concern basis because the ultimate parent undertaking has given the necessary assurances that sufficient resources will be made available, so that the Company can meet its liabilities as and when they fall due, for at least twelve months from the date of approval of these financial statements.

DKSH Great Britain Limited

Directors' report For the Year Ended 31 December 2016

Disclosure of information to auditor

Each of the Directors at the time when this Directors' Report was approved have confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

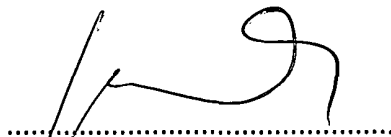
Post balance sheet events

There have been no significant events affecting the Company since the year end.

Auditors

The auditor, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 7 June 2017 and signed on its behalf.


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J H Roemling
Director

Independent Auditor's report to the members of DKSH Great Britain Limited

We have audited the financial statements of DKSH Great Britain Limited for the year ended 31 December 2016 which comprise the Statement of Comprehensive Income, the Balance Sheet, and the Statement of Changes in Equity and the related notes 1 to 23. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'.

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

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement, 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). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

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. In addition, we read all the financial and non-financial information in the Directors Report and the Strategic 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.

Opinion on financial statements

In our opinion 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 profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, [including [Financial Reporting Standard 101 'Reduced Disclosure Framework'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Independent Auditor's report to the members of DKSH Great Britain Limited

Matters on which we are required to report by exception

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.
- the directors were not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report and take advantage of the small companies' exemption in preparing the Directors' Report.

Ernst + Young LLP

Stuart Darrington (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
London
United Kingdom

7 July 2017

DKSH Great Britain Limited

Statement of Comprehensive Income For the Year Ended 31 December 2016

	Note	2016 £	2015 £
Turnover	3	11,395,341	11,455,000
Cost of sales		(9,228,561)	(9,951,206)
Gross profit		2,166,780	1,503,794
Administrative expenses		(1,699,113)	(1,987,717)
Operating profit / (loss)	4	467,667	(483,923)
Interest receivable and similar income	8	808	-
Interest payable and similar charges	9	(109,535)	(115,092)
Profit / (loss) on ordinary activities before taxation		358,940	(599,015)
Taxation on profit / (loss) on ordinary activities	10	-	-
Profit / (loss) for the financial year		358,940	(599,015)
Other comprehensive income		-	-
Total comprehensive income for the year		358,940	(599,015)

All amounts relate to continuing operations.

The notes on pages 8 to 23 form part of these financial statements.

DKSH Great Britain Limited

Statement of Financial Position As at 31 December 2016

	Note	2016 £	2015 £
Intangible assets	11	-	-
Tangible assets	12	3,458	13,477
		<u>3,458</u>	<u>13,477</u>
Current assets			
Stocks	13	2,272,621	2,279,540
Debtors: Amounts falling due within one year	14	2,150,718	1,543,818
Forward contracts	21	17,864	16,632
Cash at bank and in hand	15	1,673,835	1,011,843
		<u>6,115,036</u>	<u>4,851,833</u>
Creditors: Amounts falling due within one year	16	(7,514,524)	(6,684,538)
Forward contracts	21	(65,437)	(1,178)
Net current liabilities		<u>(1,464,924)</u>	<u>(1,833,883)</u>
Total assets less current liabilities		<u>(1,461,466)</u>	<u>(1,820,406)</u>
Net liabilities		<u>(1,461,466)</u>	<u>(1,820,406)</u>
Capital and reserves			
Called up share capital	17	375,000	375,000
Retained earnings		(1,836,466)	(2,195,406)
Shareholders' funds		<u>(1,461,466)</u>	<u>(1,820,406)</u>

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

7 June 2017.

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J H Roemling
Director

The notes on pages 8 to 23 form part of these financial statements.

DKSH Great Britain Limited

Statement of changes in equity As at 31 December 2016

	Share capital	Retained Earnings	Total Equity
At 1 January 2016	375,000	(2,195,406)	(1,820,406)
Comprehensive income for the year	-	-	-
Profit for the year	-	358,940	358,940
Total Comprehensive income for the year	-	358,940	358,940
At 31 December 2016	<u><u>375,000</u></u>	<u><u>(1,836,466)</u></u>	<u><u>(1,461,466)</u></u>

Statement of changes in equity As at 31 December 2015

	Share capital	Retained Earnings	Total Equity
At 1 January 2015	375,000	(1,596,391)	(1,221,391)
Comprehensive income for the year	-	-	-
Loss for the year	-	(599,015)	(599,015)
Total Comprehensive income for the year	-	(599,015)	(599,015)
At 31 December 2015	<u><u>375,000</u></u>	<u><u>(2,195,406)</u></u>	<u><u>(1,820,406)</u></u>

The notes on pages 9 to 23 form part of these financial statements.

DKSH Great Britain Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. Accounting policies

1.1 Company information

DKSH Great Britain Ltd. is a limited Company incorporated in the UK. The address of the registered office is given in the company information page and the nature of the Company's operations and its principal activities are set out in the Directors' report.

1.2 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.3 Financial reporting standard 101 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member
- the requirements of IFRS 7 Financial Instruments: Disclosures

This information is included in the consolidated financial statements of DKSH Holding Limited as at 31 December 2016 and these financial statements may be obtained from News Building, 3rd floor, 3 London Bridge Street, SE1 9SG.

1.4 Going concern

The financial statements have been prepared on the going concern basis because the ultimate parent undertaking has given the necessary assurances that sufficient resources will be made available, so that the company can meet its liabilities as and when they fall due, for at least twelve months from the date of approval of these financial statements.

DKSH Great Britain Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.5 Turnover

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;
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably, and;
- the costs incurred and the costs to complete the contract can be measured reliably.

1.6 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is provided on the following bases:

Computer software	13.3% or over the life of the contract if shorter
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DKSH Great Britain Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.7 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

The company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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

Depreciation is provided on the following bases:

Leasehold improvements	-	13.3%
Furniture and equipment	-	20%
Computer hardware	-	20%

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 'other operating income' in the statement of comprehensive income.

1.8 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.

1.9 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 reporting 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.

DKSH Great Britain Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.10 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.

1.11 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.

DKSH Great Britain Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.12 Financial instruments

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets

The company recognises its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired.

Other than the financial assets in a qualifying hedging relationship, the company's accounting policy for each category is as follows:

Fair value through profit or loss

This category comprises only in-the-money derivatives. These are carried in the Balance Sheet at fair value with changes in fair value recognised in the statement of comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary asset. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment.

Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the company will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable. For trade receivables, which are reported net, such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collected, the gross carrying value of the asset is written off against the associated provision.

DKSH Great Britain Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

Financial liabilities

The company classifies its financial liabilities into one of the categories discussed below, depending on the purpose for which the liability was acquired.

Fair value through profit or loss

The company comprises only out-of-the-money derivatives. They are carried in the Balance Sheet at fair value recognised in the statement of comprehensive income.

At amortised cost

Financial liabilities at amortised cost including bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried into the Balance Sheet.

1.13 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

1.14 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.

1.15 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 payments 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 Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

DKSH Great Britain Limited

Notes to the Financial Statements For the Year Ended 31 December 2016

1. Accounting policies (continued)

1.16 Interest income

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

1.17 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.

2. Judgments in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make the following judgments:

- Determine whether leases entered into by the company either as a lessor or a lessee are operating or lease or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.
- Determine whether there are indicators of impairment of the company's tangible and intangible assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.

Other key sources of estimation uncertainty

- Tangible fixed assets (see note 12)
Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- Inventory movement disclosures (see note 13)
A stock provision is calculated by management based on the expected further usage of items held at each year end. A provision is made where it is considered that the carrying value of a stock item exceeds its net realisable value.

DKSH Great Britain Limited

Notes to the financial statements For the Year Ended 31 December 2016

3. Analysis of turnover

The whole of the turnover is attributable to the company's principal activity of distribution of materials for the food, personal care, pharmaceutical and speciality industries. Turnover is recognised when goods are delivered to customers.

Analysis of turnover by country of destination:

	2016 £	2015 £
United Kingdom	7,552,844	8,647,574
Rest of Europe	2,590,922	2,599,930
Rest of the world	1,251,575	207,496
	<u>11,395,341</u>	<u>11,455,000</u>

4. Operating profit / (loss)

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

	2016 £	2015 £
Depreciation of tangible fixed assets	10,019	10,018
Operating lease rentals - land and buildings	98,300	91,800
Amortisation of intangible assets, including goodwill	-	28,950
Exchange differences	(319,488)	12,391
Defined contribution pension cost	<u>62,444</u>	<u>67,268</u>

5. Auditors' remuneration

The company paid the following amounts to its auditors in respect of the audit of the financial statements and for other services provided to the company:

	2016 £	2015 £
Fees for the audit of the company	<u>16,397</u>	<u>12,462</u>

DKSH Great Britain Limited

Notes to the financial statements For the Year Ended 31 December 2016

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2016 £	2015 £
Wages and salaries	885,088	1,080,436
Social security costs	90,067	124,160
Cost of defined contribution scheme	62,444	67,268
	<u>1,037,599</u>	<u>1,271,864</u>

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

	2016 No.	2015 No.
Administration	4	4
Trading	11	15
	<u>15</u>	<u>19</u>

7. Directors' remuneration

	2016 £	2015 £
Directors' emoluments	-	84,278
Company contributions to defined contribution pension schemes	-	6,366
	<u>-</u>	<u>90,644</u>

During the year retirement benefits were accruing to no directors in respect of defined contribution pension schemes. No amounts were paid to directors by DKSH Great Britain Limited in 2016.
The directors' remuneration was paid by DKSH GmbH, the sister company based in Germany.

8. Interest receivable

	2016 £	2015 £
Other interest receivable	<u>808</u>	<u>-</u>

DKSH Great Britain Limited

Notes to the financial statements For the Year Ended 31 December 2016

9. Interest payable and similar charges

	2016 £	2015 £
Loans from group undertakings	109,529	114,890
Other interest payable	6	202
	<u>109,535</u>	<u>115,092</u>

10. Taxation

Factors affecting tax charge for the year

The tax assessed for the year differs from the standard rate of corporation tax in the UK of 20.00% (2015: 20.25%). The differences are explained below:

	2016 £	2015 £
Profit on ordinary activities before tax	<u>358,940</u>	<u>(599,015)</u>
Tax on profit at standard UK tax rate of 20.00% (2015: 20.25%)	71,788	(121,280)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	2,339	3,568
Tax losses	(74,127)	117,712
Total tax charge for the year	<u>-</u>	<u>-</u>

DKSH Great Britain Limited

Notes to the financial statements For the Year Ended 31 December 2016

10. Taxation (continued)

Factors that may affect future tax charges

The Finance Act 2013, which provided for a reduction in the main rate of corporation tax to 21% effective from 1 April 2014 and a further reduction to 20% effective from 1 April 2015, was enacted during 2013. The Finance (No.2) Act 2015, which provided for a reduction in the main rate of corporation tax to 19% effective from 1 April 2017 and further reduction to 18% from 1 April 2020, was enacted during 2015. The Finance Act 2016, which reduced the main rate of corporation tax to 17% from 1 April 2020 (replacing the 18% reduction) was enacted during 2016.

Deferred tax

The gross amount of tax losses available for carry forward amount to £2,895,624 (2015: £3,265,975) and the gross fixed asset timing difference amounts to £100,435 (2015: £100,435). These have not been recognised as a deferred tax asset as there is currently no persuasive evidence that there will be suitable taxable profits in the future, against which these losses may be offset.

11. Intangible assets

	Computer software £
Cost	
At 1 January 2016	53,282
At 31 December 2016	53,282
Amortisation	
At 1 January 2016	53,282
At 31 December 2016	53,282
Net book value	
At 31 December 2016	-
At 31 December 2015	-

DKSH Great Britain Limited

Notes to the financial statements For the Year Ended 31 December 2016

12. Tangible fixed assets

	Leasehold improvements £	Furniture and equipment £	Computer hardware £	Total £
Cost				
At 1 January 2016	172,769	90,568	27,440	290,777
At 31 December 2016	172,769	90,568	27,440	290,777
Depreciation				
At 1 January 2016	159,292	90,568	27,440	277,300
Charge owned for the period	10,019	-	-	10,019
At 31 December 2016	169,311	90,568	27,440	287,319
Net book value				
At 31 December 2016	3,458	-	-	3,458
At 31 December 2015	13,477	-	27,440	13,477

13. Inventory movement disclosures

	2016 £	2015 £
Finished goods and goods for resale	1,796,252	1,991,133
Goods in transit	476,369	288,407
	<u>2,272,621</u>	<u>2,279,540</u>

DKSH Great Britain Limited

Notes to the financial statements For the Year Ended 31 December 2016

14. Debtors

	2016 £	2015 £
Due within one year		
Trade debtors	1,761,512	1,404,675
Amounts owed by group undertakings	23,796	64,641
Other debtors	287,317	1,668
Prepayments and accrued income	78,093	72,834
	<u>2,150,718</u>	<u>1,543,818</u>

Amounts owed by group undertakings are unsecured, interest-free and repayable on demand.

15. Cash and cash equivalents

	2016 £	2015 £
Cash at bank and in hand	<u>1,673,835</u>	<u>1,011,843</u>

16. Creditors: Amounts falling due within one year

	2016 £	2015 £
Trade creditors	802,640	539,339
Amounts owed to group undertakings	6,237,554	5,803,266
Taxation and social security	324,113	160,070
Accruals and deferred income	150,217	181,863
	<u>7,514,524</u>	<u>6,684,538</u>

Amounts owed to group undertakings include amounts owed to group funding company, which are unsecured, bear interest and are repayable on demand.

DKSH Great Britain Limited

Notes to the financial statements For the Year Ended 31 December 2016

17. Share capital

	2016 £	2015 £
Allotted, called up and fully paid		
375,000- Ordinary shares of £1 each	<u>375,000</u>	<u>375,000</u>

18. Reserves

The following describes the nature and purpose of each reserve within equity:

Reserve	Description and purpose
Share capital	Nominal value of share capital subscribed for.
Retained earnings	All other net gains and losses and transactions with owners (eg dividends) not recognised elsewhere

19. Pension commitments

The company operated a defined contributions pension scheme open to directors and employees. The pension cost charge for the year represents contributions payable by the company to the fund and amounted to £62,444 (2015: £67,268).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

20. Commitments under operating leases

At 31 December 2016 the company had annual commitments under non-cancellable operating leases as follows:

	2016 £	2015 £
Not later than 1 year	22,950	91,800
Later than 1 year and not later than 5 years	<u>101,791</u>	<u>22,950</u>

DKSH Great Britain Limited

Notes to the financial statements For the Year Ended 31 December 2016

21. Forward contracts

The company had forward contracts open as follows at 31 December 2016: €280,214, ¥196,487,450 and \$1,264,032 valued at £2,679,760 (2015: £1,004,899) to cover open purchase orders and open sales orders.

	2016	2015	2016 £	2015 £
To hedge future purchase payments in US Dollars	\$1,215,883	\$1,041,700	976,173	691,478
To hedge future purchase payments in Euros	€87,631	€22,950	74,658	16,968
To hedge future purchase payments in Japanese Yen	¥192,768,900	¥46,064,100	1,398,092	251,530
To hedge future purchase payments in Swiss Francs	-	CHF66,621	-	44,923
To hedge future sales in US Dollars	\$48,196	-	37,988	-
To hedge future sales in Euros	€192,583	-	166,351	-
To hedge future sales in Japanese Yen	¥3,718,550	-	26,499	-

22. Related party transactions

The company has taken advantage of the exemption conferred by FRS101 paragraph 8(j) and 8(k) not to disclose key management personnel compensation or transactions and amounts due to and from fellow group companies that are wholly owned by the ultimate parent company, DKSH Holdings Limited.

23. Controlling party

The company is a wholly owned subsidiary undertaking of DKSH Holding Limited incorporated in Switzerland, and the directors consider this to be the ultimate parent undertaking and controlling party.

The largest group in which the results of the company are consolidated is that headed by DKSH Holding Limited, incorporated in Switzerland. The group financial statements of this company are available to the public and may be obtained from News Building, 3rd floor, 3 London Bridge Street, SE1 9SG.