

REGISTERED NUMBER: 03277517 (England and Wales)

STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2016
FOR
NAVIGATOR PAPER UK LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2016

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NAVIGATOR PAPER UK LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2016

DIRECTORS:	Mr A J Pereira Redondo Mr J F M Carreira De Araujo Mr A J Miller
SECRETARY:	Mr A J Miller
REGISTERED OFFICE:	Suite 4 Oaks House 16/22 West Street Epsom Surrey KT18 7RG
REGISTERED NUMBER:	03277517 (England and Wales)
AUDITORS:	Guner Associates Chartered Accountants and Statutory Auditor 39 Hendon Lane Finchley London N3 1RY
BANKERS:	Coutts & Co 440 Strand London WC2R 0QS

STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their strategic report for the year ended 31 December 2016.

REVIEW OF BUSINESS

The results for the year and the financial position of the company are as shown in the annexed financial statements.

The company's key financial and other performance indicators during the year were as follows:

	2016	2015
	£	£
Turnover	770,912	841,032
Profit before tax	47,700	59,253

The company continue to provide supporting sales and marketing services for paper products manufactured by paper mills within the Navigator Group (previously known as Portucel Soporcel Group), namely:

- product promotion
- customer contact
- market analysis

These activities are remunerated on a cost plus basis, given its supporting nature and respective risks.

PRINCIPAL RISKS AND UNCERTAINTIES

The company faces certain risks to its business which have been identified. These risks are subject to monitoring and periodic discussion between the directors and key management.

Financial instruments risks:

Principal financial instruments comprise bank balances, debtors and loans. The company mitigates exposures to foreign exchange fluctuations by ensuring transactions are denominated in GBP.

Competitive risks:

The company acts as service provider for its parent undertaking from which all its revenue is generated. The company has in place service agreement with the parent undertaking ensuring its resources are devoted in providing sales and marketing support services in the UK market and in the Republic of Ireland for paper products manufactured by the Navigator Group.

FUTURE DEVELOPMENTS

The directors aim to maintain the management policies and continue its business in a similar way, supporting the activity of Navigator Fine Paper (previously known as Portucel Soporcel Fine Paper), (the Group distributor of paper products) in the UK market and in the Republic of Ireland, where the company operates.

ON BEHALF OF THE BOARD:



Mr A J Miller - Secretary

30 June 2017

REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2016

The directors present their report with the financial statements of the company for the year ended 31 December 2016.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of rendering sales and marketing supporting services for paper products manufactured by the Navigator Group formerly known as Portucel Soporcel Group.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2016 (2015: £Nil).

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2016 to the date of this report.

Mr A J Pereira Redondo
Mr J F M Carreira De Araujo

Other changes in directors holding office are as follows:

Navigator Switzerland Ltd - resigned 7 March 2016
Mr A J Miller - appointed 7 March 2016

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;
- state whether applicable 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.

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.

AUDITORS

The auditors, Guner Associates, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr A J Miller - Secretary



30 June 2017

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NAVIGATOR PAPER UK LIMITED**

We have audited the financial statements of Navigator Paper UK Limited for the year ended 31 December 2016 on pages six to seventeen. 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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.

Respective responsibilities of directors and auditors

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. 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 Strategic Report and the Report of the Directors 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

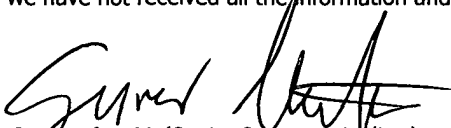
In our opinion, based on the work undertaken in the course of our audit, the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements, and has been prepared in accordance with applicable legal requirements. In the light of the knowledge and understanding of the company and its environment, we have not identified any material misstatements in the Strategic Report or the Report of the Directors.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NAVIGATOR PAPER UK 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.



Mr G Mustafa FCA (Senior Statutory Auditor)
for and on behalf of Guner Associates
Chartered Accountants
and Statutory Auditor
39 Hendon Lane
Finchley
London
N3 1RY

30 June 2017

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

	Notes	2016 £	2015 £
TURNOVER		770,912	841,032
Distribution costs		12,540	7,093
Administrative expenses		710,737	774,747
		723,277	781,840
OPERATING PROFIT	4	47,635	59,192
Interest receivable and similar income		65	61
PROFIT BEFORE TAXATION		47,700	59,253
Tax on profit	5	15,356	18,034
PROFIT FOR THE FINANCIAL YEAR		32,344	41,219
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		32,344	41,219

The notes form part of these financial statements

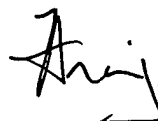
STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016

	Notes	2016		2015	
		£	£	£	£
FIXED ASSETS					
Tangible assets	6		3,107		7,137
CURRENT ASSETS					
Debtors	7	143,610		85,167	
Cash at bank and in hand		69,078		79,613	
		212,688		164,780	
CREDITORS					
Amounts falling due within one year	8	32,184		20,650	
NET CURRENT ASSETS			180,504		144,130
TOTAL ASSETS LESS CURRENT LIABILITIES			183,611		151,267
CAPITAL AND RESERVES					
Called up share capital	9		5,000		5,000
Retained earnings	10		178,611		146,267
SHAREHOLDERS' FUNDS			183,611		151,267

The financial statements were approved by the Board of Directors on 30 June 2017 and were signed on its behalf by:

Mr A J Miller - Director

Mr A J Pereira Redondo - Director

NAVIGATOR PAPER UK LIMITED (REGISTERED NUMBER: 03277517)

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

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2015	5,000	105,048	110,048
Changes in equity			
Total comprehensive income	-	41,219	41,219
Balance at 31 December 2015	5,000	146,267	151,267
Changes in equity			
Total comprehensive income	-	32,344	32,344
Balance at 31 December 2016	5,000	178,611	183,611

The notes form part of these financial statements

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	Notes	2016 £	2015 £
Cash flows from operating activities			
Cash generated from operations	1	6,580	117,540
Tax paid		(17,180)	(23,494)
Net cash from operating activities		(10,600)	94,046
Cash flows from investing activities			
Interest received		65	61
Net cash from investing activities		65	61
Cash flows from financing activities			
Loan repayments in year		-	(55,000)
Net cash from financing activities		-	(55,000)
(Decrease)/increase in cash and cash equivalents		(10,535)	39,107
Cash and cash equivalents at beginning of year	2	79,613	40,506
Cash and cash equivalents at end of year	2	69,078	79,613

The notes form part of these financial statements

**NOTES TO THE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

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

	2016	2015
	£	£
Profit before taxation	47,700	59,253
Depreciation charges	4,030	5,767
Finance income	(65)	(61)
	<hr/>	<hr/>
	51,665	64,959
(Increase)/decrease in trade and other debtors	(58,443)	42,840
Increase in trade and other creditors	13,358	9,741
	<hr/>	<hr/>
Cash generated from operations	6,580	117,540
	<hr/>	<hr/>

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 2016

	31.12.16	1.1.16
	£	£
Cash and cash equivalents	69,078	79,613
	<hr/>	<hr/>

Year ended 31 December 2015

	31.12.15	1.1.15
	£	£
Cash and cash equivalents	79,613	40,506
	<hr/>	<hr/>

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

1. STATUTORY INFORMATION

Navigator Paper 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.

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.

Revenue recognition

Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, value added tax and other sales taxes or duty.

The company charges cost plus basis as a service fee under the terms of service agreement dated 1 January 2010.

Tangible fixed assets

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

Plant and machinery - 33% on cost

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

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. Contributions payable for the year are charged in the profit and loss account.

Operating leases

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis.

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

3. EMPLOYEES AND DIRECTORS

	2016	2015
	£	£
Wages and salaries	426,779	412,261
Social security costs	51,962	49,431
Other pension costs	8,661	63,929
	487,402	525,621

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

	2016	2015
Management	1	1
Sales	3	3
Administration	3	3
	7	7

	2016	2015
	£	£
Directors' remuneration	124,869	-
Directors' pension contributions to money purchase schemes	8,661	-

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

Money purchase schemes	1	-
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4. OPERATING PROFIT

The operating profit is stated after charging:

	2016	2015
	£	£
Depreciation - owned assets	4,030	5,766
Operating lease rentals	49,147	70,171
Accounting and consultancy	1,488	363

Audit fee £6,750 (2015: £6,750) is borne by parent undertaking

5. TAXATION

Analysis of the tax charge

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

	2016	2015
	£	£
Current tax:		
UK corporation tax	15,356	18,034
Tax on profit	15,356	18,034

UK corporation tax has been charged at 20% (2015 - 20%).

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

5. TAXATION - continued

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:

	2016	2015
	£	£
Profit before tax	47,700	59,253
Profit multiplied by the standard rate of corporation tax in the UK of 20% (2015 - 20%)	9,540	11,851
Effects of:		
Expenses not deductible for tax purposes	5,131	4,958
Depreciation in excess of capital allowances	685	1,006
Changes in standard rate of corporation tax	-	219
Total tax charge	15,356	18,034

6. TANGIBLE FIXED ASSETS

	Plant and machinery £
COST	
At 1 January 2016 and 31 December 2016	21,673
DEPRECIATION	
At 1 January 2016	14,536
Charge for year	4,030
At 31 December 2016	18,566
NET BOOK VALUE	
At 31 December 2016	3,107
At 31 December 2015	7,137

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Amounts owed by parent undertaking	65,300	63,755
VAT	7,235	3,762
Prepayments and accrued income	71,075	17,650
	143,610	85,167

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2016	2015
	£	£
Trade creditors	10,196	(7,787)
Tax	5,960	7,784
Social security and other taxes	13,328	17,453
Accrued expenses	2,700	3,200
	32,184	20,650

NAVIGATOR PAPER UK LIMITED (REGISTERED NUMBER: 03277517)

NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2016

9. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value:	2016	2015
			£	£
50	Ordinary shares	£100	<u>5,000</u>	<u>5,000</u>

10. RESERVES

	Retained earnings
	£
At 1 January 2016	146,267
Profit for the year	<u>32,344</u>
At 31 December 2016	<u>178,611</u>

11. ULTIMATE PARENT COMPANY

The immediate parent undertaking is Navigator Switzerland Ltd incorporated in Switzerland. The ultimate parent undertaking is Navigator SA incorporated in Portugal.

12. OTHER FINANCIAL COMMITMENTS

The company has annual commitments under non-cancellable operating leases in respect of land and buildings amounting to £50,800 (2015: £50,800). There is a new lease for a term of 10 years commencing October 2010 with a break clause exercisable by the company in October 2015. The company has not exercised the break clause and the lease will continue until October 2020.

Future commitments on motor vehicle operating leases due:

	2016	2015
	£	£
Within one year	12,339	15,814
Between two and five years	23,059	35,398

13. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

**RECONCILIATION OF EQUITY
1 JANUARY 2015
(DATE OF TRANSITION TO FRS 102)**

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		12,903	-	12,903
CURRENT ASSETS				
Debtors		106,567	-	106,567
Prepayments and accrued income		21,440	-	21,440
Cash at bank and in hand		40,506	-	40,506
		168,513	-	168,513
CREDITORS				
Amounts falling due within one year		(71,368)	-	(71,368)
NET CURRENT ASSETS		97,145	-	97,145
TOTAL ASSETS LESS CURRENT LIABILITIES		110,048	-	110,048
NET ASSETS		110,048	-	110,048
CAPITAL AND RESERVES				
Called up share capital		5,000	-	5,000
Retained earnings		105,048	-	105,048
SHAREHOLDERS' FUNDS		110,048	-	110,048

The notes form part of these financial statements

RECONCILIATION OF EQUITY - continued
31 DECEMBER 2015

	Notes	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
FIXED ASSETS				
Tangible assets		7,137	-	7,137
CURRENT ASSETS				
Debtors		85,167	-	85,167
Cash at bank and in hand		79,613	-	79,613
		164,780	-	164,780
CREDITORS				
Amounts falling due within one year		(20,650)	-	(20,650)
NET CURRENT ASSETS		144,130	-	144,130
TOTAL ASSETS LESS CURRENT LIABILITIES		151,267	-	151,267
NET ASSETS		151,267	-	151,267
CAPITAL AND RESERVES				
Called up share capital		5,000	-	5,000
Retained earnings		146,267	-	146,267
SHAREHOLDERS' FUNDS		151,267	-	151,267

The notes form part of these financial statements

NAVIGATOR PAPER UK LIMITED (REGISTERED NUMBER: 03277517)

RECONCILIATION OF PROFIT
FOR THE YEAR ENDED 31 DECEMBER 2015

	UK GAAP £	Effect of transition to FRS 102 £	FRS 102 £
TURNOVER	841,032	-	841,032
Distribution costs	(7,093)	-	(7,093)
Administrative expenses	(774,747)	-	(774,747)
OPERATING PROFIT	59,192	-	59,192
Interest receivable and similar income and	61	-	61
PROFIT BEFORE TAXATION	59,253	-	59,253
Tax on profit	(18,034)	-	(18,034)
PROFIT FOR THE FINANCIAL YEAR	<u>41,219</u>	<u>-</u>	<u>41,219</u>

The notes form part of these financial statements