Financial Statements for approval

Company Registration No. 00831050 (England and Wales)

# MATISA (U.K.) LIMITED

# FINANCIAL STATEMENTS

# FOR THE YEAR ENDED 31 DECEMBER 2017

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Financial Statements for approval

# MATISA (U.K.) LIMITED

## BALANCE SHEET

## *AS AT 31 DECEMBER 2017*

| | Notes | 2017 £ | 2017 £ | 2016 £ | 2016 £ |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| Tangible assets | 3 | | 326,969 | | 306,714 |
| **Current assets** | | | | | |
| Stocks | | 1,320,754 | | 1,496,955 | |
| Debtors | 4 | 1,913,193 | | 1,668,098 | |
| Investments | 5 | 2,000,000 | | 2,000,000 | |
| Cash at bank and in hand | | 1,229,493 | | 1,165,213 | |
| | | 6,463,440 | | 6,330,266 | |
| **Creditors: amounts falling due within one year** | 6 | (905,928) | | (895,865) | |
| **Net current assets** | | | 5,557,512 | | 5,434,401 |
| **Total assets less current liabilities** | | | 5,884,481 | | 5,741,115 |
| **Provisions for liabilities** | | | (10,753) | | (9,518) |
| **Net assets** | | | 5,873,728 | | 5,731,597 |
| **Capital and reserves** | | | | | |
| Called up share capital | 7 | | 280,680 | | 280,680 |
| Profit and loss reserves | | | 5,593,048 | | 5,450,917 |
| **Total equity** | | | 5,873,728 | | 5,731,597 |

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved by the board of directors and authorised for issue on 2/7/2018 and are signed on its behalf by:

Mr R von Schack
**Director**

**Company Registration No. 00831050**

# NOTES TO THE FINANCIAL STATEMENTS

*FOR THE YEAR ENDED 31 DECEMBER 2017*

## 1 Accounting policies

**Company information**

Matisa (U.K.) Limited is a private company limited by shares incorporated in England and Wales. The registered office is Suite 1, The Limewood Suite, 5 Park Square, Scunthorpe, North Lincolnshire, England, DN15 6JH.

### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Matisa Matériel Industriel S.A.. These consolidated financial statements are available from its registered office, Rue de l'Arc-en-Ciel 2, 1023 Crissier, Switzerland.

### 1.2 Turnover

Turnover represents revenue recognised in respect of sales of goods, supply of services and commissions received or receivable, net of VAT and trade discounts.

## 1 Accounting policies (Continued)

Except in respect of long term contracts, revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

In respect of long term contracts where a contract has been entered into for the manufacture of a single asset, the "percentage of completion method" is used to determine the appropriate amount to recognise in a given period. The stage of completion is measured by the proportion of contract costs incurred for work performed to date compared to the estimated total contract costs. Costs incurred in the year in connection with future activity on a contract are excluded from contract costs in determining the stage of completion. These costs are presented as stocks, prepayments or other assets depending on their nature, and provided it is probable they will be recovered.

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

Commissions - for machines and part sales, the revenue is recognised when the sale is invoiced by the company supplying the goods.

### 1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

| | |
|---|---|
| Land and buildings Leasehold | 35 years and 5 years - whichever is the period of the lease |
| Plant and machinery | 15% reducing balance |
| Computer equipment | 33% on cost |
| Motor vehicles | 20% on cost |

### 1.4 Stocks

Stock is valued at the lower of cost and net estimated selling price less selling costs value after making due allowance for obsolete and slow moving items.

### 1.5 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2017*

## 1 Accounting policies (Continued)

***Current tax***

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

### 1.6 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

### 1.7 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

### 1.8 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

### 1.9 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

## 2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 13 (2016 - 13).

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2017*

## 3 Tangible fixed assets

| | Land and buildings | Plant and machinery etc | Total |
|---|---|---|---|
| | £ | £ | £ |
| **Cost** | | | |
| At 1 January 2017 | 298,157 | 181,553 | 479,710 |
| Additions | 25,414 | 63,062 | 88,476 |
| Disposals | - | (18,340) | (18,340) |
| At 31 December 2017 | 323,571 | 226,275 | 549,846 |
| **Depreciation and impairment** | | | |
| At 1 January 2017 | 89,672 | 83,323 | 172,995 |
| Depreciation charged in the year | 25,853 | 32,501 | 58,354 |
| Eliminated in respect of disposals | - | (8,472) | (8,472) |
| At 31 December 2017 | 115,525 | 107,352 | 222,877 |
| **Carrying amount** | | | |
| At 31 December 2017 | 208,046 | 118,923 | 326,969 |
| At 31 December 2016 | 208,485 | 98,229 | 306,714 |

## 4 Debtors

| | 2017 | 2016 |
|---|---|---|
| **Amounts falling due within one year:** | £ | £ |
| Trade debtors | 1,056,840 | 1,575,774 |
| Corporation tax recoverable | 27,042 | - |
| Amounts due from group undertakings | 480,040 | 72,187 |
| Prepayments and accrued income | 349,271 | 20,137 |
| | 1,913,193 | 1,668,098 |

## 5 Current asset investments

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Other investments | 2,000,000 | 2,000,000 |

The investment is a short term treasury agreement with Matisa Matériel Industriel SA.

# NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

*FOR THE YEAR ENDED 31 DECEMBER 2017*

## 6 Creditors: amounts falling due within one year

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Trade creditors | 144,076 | 156,472 |
| Amounts due to group undertakings | 591,398 | 400,160 |
| Corporation tax | - | 96,999 |
| Other taxation and social security | 141,383 | 211,121 |
| Accruals and deferred income | 29,071 | 31,113 |
| | 905,928 | 895,865 |

## 7 Called up share capital

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| **Ordinary share capital** | | |
| **Issued and fully paid** | | |
| 280,680 Ordinary shares of £1 each | 280,680 | 280,680 |
| | 280,680 | 280,680 |

## 8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Allan Clark.
The auditor was CH Jefferson & Co Ltd.

## 9 Operating lease commitments

**Lessee**

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| | 925,497 | 653,937 |

## 10 Capital commitments

Amounts contracted for but not provided in the financial statements:

| | 2017 | 2016 |
|---|---|---|
| | £ | £ |
| Acquisition of tangible fixed assets | 75,600 | - |

## 11 Related party transactions

**Transactions with related parties**
The company has taken advantage of the exemption available in FRS 102 section 1A whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

## 12 Parent company

The ultimate parent company is Matisa Matériel Industriel S.A., a company registered in Switzerland.

Matisa Matériel Industriel S.A. prepares group financial statements and copies can be obtained from it's registered office at Rue de l'Arc-en-Ciel 2, 1023 Crissier, Switzerland.

The ultimate controlling party is IRM International Railway Machines AG. IRM International Railway Machines AG is a company registered in Switzerland.

The ultimate parent company is also the parent undertaking of the smallest and largest group to consolidate these financial statements.