

Company Registration No. 00995387 (England and Wales)

Presspart Manufacturing Limited

**Annual report and financial statements
for the year ended 31 December 2021**



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08/09/2022

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COMPANIES HOUSE

Presspart Manufacturing Limited

Company information

Directors	Julian Hemy Antony Cross Christian Kraetzig Tracey Catlow
Secretary	Tracey Catlow
Company number	00995387
Registered office	Whitebirk Industrial Estate Blackburn BB1 5RF
Independent auditor	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE
Bankers	HSBC Bank plc 60 Church Street Blackburn BB1 5AS

Presspart Manufacturing Limited

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Presspart Manufacturing Limited

Strategic report

For the year ended 31 December 2021

The directors present their strategic report and financial statements for the year ended 31 December 2021.

Fair review of the business

Presspart Manufacturing Limited is a wholly owned subsidiary of the Heitkamp & Thumann Group, a global Corporate Group based in Dusseldorf, Germany, founded in 1978.

The Heitkamp & Thumann Group is a leading global partner for the development and supply of world-class precision-formed components in both metal and plastic. The Worldwide family owned business brings together 15 medium-sized companies under one group with three divisions and three business units. H&T Battery Components Alkaline, H&T Battery Components Rechargeable and H&T Presspart represent the three divisions with H&T Industrial, H&T Tool Design and H&T Productions Technology representing the three business units. With manufacturing facilities in Europe, North America and Asia, the Heitkamp & Thumann Group is represented in all major economic regions of the world.

Presspart Manufacturing Limited operates within one of the divisions that being the H&T Presspart division, specialising in high precision metal and plastic components for the pharmaceutical industry and also has an Industrial business unit that has a broad deep drawn product range made from the highest quality metals, with a key competence to support customer product development.

Founded in 1970, Presspart Manufacturing Limited is a world leader and specialist in manufacturing drug-delivery systems and pharmaceutical components, which offers pharmaceutical clients metered-dose inhaler canisters and components, and a comprehensive range of dose-counting technologies, with emphasis on quality, technology, flexibility and fast turnaround. Focus continues on industry-leading innovations, continually pushing the boundaries to find technologies that will improve drug delivery performance for our customers and their patients.

"H&T Excellence" continues to be fundamental to our success as it ensures operational excellence in all value adding processes and forms the core of our lean management program. This ensures the highest quality and economic efficiency, setting the stage for being the leading global partner for the development and supply of world class precision formed metal components now and in future times.

As a market leader in the field, people from a wide range of career and skill backgrounds are employed. Investment is made in the training and education of employees with major specialised training programmes, including a long-established Apprenticeship scheme.

Presspart Manufacturing Limited

Strategic report (continued)

For the year ended 31 December 2021

Principal risks and uncertainties

Competitive global pressure, coupled with a continuing weak pound sterling to euro and US dollar exchange rates, along with the remaining trading uncertainties surrounding the United Kingdom's exit from the European Union have caused some challenges during 2021, which could have resulted in it losing sales to its key competitors. The company manages these risks by providing high quality products to its customers, coupled with fast response times in supplying said products, underpinned by long to medium term contracts with customers.

The fluctuations in raw material market prices and scrap prices are a continuing high ranking risk to the business. Continued global trends such as volatile euro to sterling rates intensify this risk as the majority of raw material purchases come from continental European suppliers. The company continues to try to minimise this risk by entering into long term supplier contracts with partial price hedging where it is appropriate.

In relation to the uncertainty surrounding the UK exiting the European Union, the Company has continued to review any developments on this topic via its relationship with the Lancashire Chamber of Commerce and its freight forwarders. With an integrated supply chain team, key supplier relationships and customer focus, the company has ensured any disruption in relation to this topic was minimal.

Presspart Manufacturing Limited

Strategic report (continued)

For the year ended 31 December 2021

Covid_19 Pandemic

In addition to the already mentioned risk and uncertainty surrounding BREXIT, the company has continued to deal with the continuing Corona Virus Pandemic. The company's pandemic response plan, a documented procedure specifically written to cover such an emergency remains active. The actions that were initiated following the review of this document by the senior leadership team within the company continued to remain in place throughout 2021, these are summarised but not limited to:-

- Identifying pandemic co-ordinator and team.

- Identifying critical inputs (raw material suppliers, subcontractor services, logistics)

- Establishing safe ways of working for employees to avoid cross infection.

- Establishing policies for employees who become exposed to the pandemic.

- Anticipating employee fear and anxiety, rumours and misinformation and plan communications accordingly.

- Sharing best practice with other businesses within our community.

During 2021 the sites Industrial business recovered somewhat in comparison to 2020, with growth returning to this sector. This growth, although not yet allowing the business to return to pre Covid levels of business, ensured a return to a much improved and positive financial performance in 2021.

The company's Pharmaceutical business saw sales volumes maintain the gains from 2020 and increased sales from its Plasma can treatment process. Efficiency increases through H&T Excellence, along with investment in equipment and machinery all enabled these sales to be met in a cost effective manner, allowing for positive financial growth during 2021.

The total result of which resulted in a very successful year for the company as a whole.

Presspart Manufacturing Limited

Strategic report (continued)

For the year ended 31 December 2021

Promoting the success of the company (section 172 statement)

Employee Engagement

H&T Presspart actively engages its employees in a number of ways. The success of our H&T Excellence Lean program results are predominantly delivered by our employees who engage and contribute to the activities, over 85% of employees have contributed to this process. Additionally our employee's suggestion scheme allows further engagement on an individual basis giving a voice to our employees, with over 100 suggestions submitted during 2021.

Diversity

H&T Presspart has always been an equal opportunity employer but by challenging stereotypes through our recruiting policy we have promoted career pathways usually followed by men resulting in two female engineering apprentices becoming part of the 2020 – 2024 cohorts.

Business Partners

H&T Presspart see both its suppliers and customers as business partners, as sole suppliers to the majority of customers we supply, it is vital that we have an integrated relationship throughout the supply chain. Our H&T Excellence program further fosters this approach as we work with both customers and suppliers in improving costs and efficiencies throughout our supply chain.

Reputation and Integrity

Both core values of the H&T Group and they will never be compromised. Training and awareness of such values are delivered throughout the year to continue to reinforce the cultural and ethical importance of these values.

Health & Safety / Managing Environmental Impacts

There have been ten minor incidents recorded across the site and one RIDDOR which results with approximately 35 hours lost time in total. This is across 3 shifts 24 hours a day 5 days a week, with a workforce of over 170 employees.

The reporting of accidents is completed swiftly through the 8 Discipline processes, with all incidents having corrective actions to close them out. Improvements and investment are continuously being carried out to help reduce further our Health & Safety performance.

There have been no enforcement actions.

Environmentally we have had no incidents to report. An annual audit from Blackburn council classes the site as a low risk and in addition we are audited twice a year by BSI in accordance with our ISO14001 standard.

Whilst we have had no incidents we continuously invest in improvements to further strengthen our environmental performance. We also continue to monitor our CO2 impact and target areas where improvements are possible. We do both of these activities through our H&T Excellence program utilising a technique called Value Stream Design. These Value Stream Designs target each of the components we manufacture. Each element of the manufacturing process for a customer's component is broken down to determine its environmental impact at each stage of the manufacturing process and this in turn shows us where potential improvements can be made.

Presspart Manufacturing Limited**Strategic report (continued)****For the year ended 31 December 2021**

Activities relating to emissions from the site are listed below
(Calculated from the Government Standard Kwh conversion formula)

Energy Consumption Derives From the following Types

Type	CO2 Emissions tonnes	% CO2
Metal	9,170	85.44
Transport	434	4.04
Gas	400	3.73
Oil	180	1.68
Foil Bags	161	1.5
Cardboard	111	1.04
Electricity	103	0.96
Plastic Bags	75	0.7
Pallets	62	0.58
Waste Metal	36	0.33
Total	10,732	100

Key performance indicators

As shown in the company's income statement on page 14, total company sales have increased compared with 2020 due to change in sales mix and some pre covid sales recovery in the Industrial business unit.

Total gross operating margin has increased year on year 2021 – 32.9% vs 2020 – 31.7% the increase is mainly due to sales mix and some pre covid recovery in the Industrial business unit.

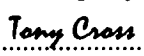
Average Working Capital KPI: actual 2021 14.4% vs 2020 15.4%, improved due to sales recovery in Industrial business unit.

Trade debtors of Presspart Manufacturing Limited at 31 December 2021 were equivalent to 51 days (2020 - 33 days). Mainly as 2021 had strong sales in Quarter 4 (£1.4m higher) when compared to 2020.

Inventory days of Presspart Manufacturing Limited at 31 December 2021 were 35 days (2020 - 29 days) 6 days higher year on year and due to higher level of raw material stock holding.

The cash balance of Presspart Manufacturing Limited at the yearend was (£0.917m – positive), (2020 - £1.284m positive), decrease of £0.367m.

On behalf of the board

DocuSigned by:

 8872C8480BD7451...
 Antony Cross

Director
 23/03/2022

Presspart Manufacturing Limited

Directors' responsibilities statement For the year ended 31 December 2021

The directors are responsible for preparing the annual 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

Presspart Manufacturing Limited

Directors' report

For the year ended 31 December 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

Presspart Manufacturing Limited is a wholly owned subsidiary of the Heitkamp & Thumann Group, a global Corporate Group based in Dusseldorf, Germany, founded in 1978.

Presspart Manufacturing Limited operates within one of the divisions being the H&T Presspart division which manufactures precision components made of metal and plastic for the pharmaceutical industry and has an industrial business unit which provides metal components to other industrial sectors.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Julian Hemy
Antony Cross
Christian Kraetzig
Tracey Catlow

Results and dividends

The results for the year are set out on page 14.

A dividend of £3.5m (2020 - £3.5m) was paid during the year.

Financial instruments

Credit risk

Presspart Manufacturing Limited has a credit control policy where appropriate credit checks are made on potential customers and suppliers before any transactions occur. For existing customers, the company closely monitors continued creditability via an external rating agency. A monthly reporting structure is established to make directors aware of any changes to credit risks.

Presspart Manufacturing Limited

Directors' report (continued)

For the year ended 31 December 2021

Health, Safety and the Environment

Presspart Manufacturing Limited is engaged in the manufacture of deep drawn metal pressings for a range of different industries. We recognise our responsibility in supplying products to our customers whilst striving to provide quality excellence, endeavouring to minimise the impact on the environment and reducing health & safety risk.

In pursuit of environmental excellence, we operate an environmental management system in compliance with ISO 14001:2015 standard. Through this system we establish and review objectives, targets and improvement programmes in line with our significant environmental aspects.

Investment continues to be made in Health, Safety & Environmental projects, where particular attention has been given to developing strategies for improving health & safety throughout the workplace and environmental sustainability in particular improving energy efficiency.

Future developments

Presspart Manufacturing Limited remains dedicated to its core business in the Pharmaceutical and Industrial sector. In 2022 it will continue making significant progress within its Pharmaceutical strategy, focusing on value added elements to its core Pharmaceutical business, predominantly the treatment of internal surfaces of MDI cans through its revolutionary plasma treatment, with significant investments during the course of the year.

In 2022 the Industrial business will continue to focus on its recovery from the Covid_19 Pandemic. Encouragingly significant new component developments completed in 2021 will aid this recovery in 2022.

In 2021 Presspart Manufacturing Limited made investments into buildings adjacent to its manufacturing facility, this investment will bring expansion to its warehousing operation, further improving its logistical efficiencies as well as offering operational opportunities for expansion in line with the H&T Presspart Group strategy.

Presspart Manufacturing Limited continues to demonstrate its commitment to Innovation with its Inhalation Product Technology Centre (IPTC) based in Blackburn. The main function of IPTC is to develop the strategic projects of H&T Presspart and its customers. This includes extensive product and process development and regulatory support.

Auditor

Saffery Champness LLP have expressed their willingness to continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

Presspart Manufacturing Limited

Directors' report (continued)

For the year ended 31 December 2021

Employment Policies

Details of employees and related costs can be found in note 6 to the financial statements on page 30.

The workforce is one of the major success factors of the company which is why Presspart continues to maintain a Health Management a Cycle to Work Scheme and healthy eating programme for its employees. Mental health support continues to be made available from the company to all employees.

Presspart Manufacturing Limited is committed to ensuring equal opportunities for all current and potential members of the company. It is committed to the promotion of standards of personal conduct based on respect for and the dignity of individuals.

It is the company's policy to provide a working environment free from discrimination. All employees of Presspart are expected to support and contribute to the maintenance of this policy.

Employees are also developed through a variety of training courses that supports the continuous optimisation of internal know-how within Presspart Manufacturing Limited including H&T Excellence lean activities along with internal and external skills and learning courses, including a long-established Apprenticeship scheme.

On behalf of the board

DocuSigned by:

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Antony Cross
Director
23/03/2022
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Presspart Manufacturing Limited

Independent auditor's report

To the members of Presspart Manufacturing Limited

Opinion

We have audited the financial statements of Presspart Manufacturing Limited (the 'company') for the year ended 31 December 2021 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 Auditor's 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Presspart Manufacturing Limited

Independent auditor's report (continued) To the members of Presspart Manufacturing Limited

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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.

Opinions 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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report 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 and the directors' report.

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 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, and for such internal control as the directors determine is 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.

Presspart Manufacturing Limited

Independent auditor's report (continued)

To the members of Presspart Manufacturing Limited

Auditor's 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 an auditor's report 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud are detailed below.

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the company by discussions with directors and by updating our understanding of the sector in which the company operates.

Laws and regulations of direct significance in the context of the company include The Companies Act 2006 and UK Tax legislation.

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

Presspart Manufacturing Limited

Independent auditor's report (continued)
To the members of Presspart Manufacturing Limited

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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.

DocuSigned by:

Lorenzo Mosca

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Lorenzo Mosca (Senior Statutory Auditor)
For and on behalf of Saffery Champness LLP

23/03/2022

Date:

Chartered Accountants
Statutory Auditors

71 Queen Victoria Street
London
EC4V 4BE

Presspart Manufacturing Limited**Income statement****For the year ended 31 December 2021**

		2021	2020
	Notes	£000	£000
Turnover	3	38,988	37,440
Cost of sales		(26,150)	(25,556)
Gross profit		12,838	11,884
Distribution costs		(2,961)	(3,283)
Administrative expenses		(2,477)	(2,697)
Other operating income		24	25
Operating profit	4	7,424	5,929
Interest receivable and similar income	7	-	1
Interest payable and similar expenses	9	(265)	(366)
Other gains and losses	10	(94)	(69)
Profit before taxation		7,065	5,495
Tax on profit	11	(1,438)	(1,031)
Profit for the financial year		5,627	4,464

The income statement has been prepared on the basis that all operations are continuing operations.

Presspart Manufacturing Limited**Statement of comprehensive income
For the year ended 31 December 2021**

	2021	2020
	£000	£000
Profit for the year	5,627	4,464
	<u> </u>	<u> </u>
Other comprehensive income		
Actuarial gain/(loss) on defined benefit pension schemes	3,151	(2,555)
Tax relating to other comprehensive income	(266)	612
	<u> </u>	<u> </u>
Other comprehensive income for the year	2,885	(1,943)
	<u> </u>	<u> </u>
Total comprehensive income for the year	8,512	2,521
	<u> </u>	<u> </u>

Presspart Manufacturing Limited**Statement of financial position****As at 31 December 2021**

			2021		2020
	Notes	£000	£000	£000	£000
Fixed assets					
Intangible assets	13		257		394
Tangible assets	14		16,714		16,433
			<u>16,971</u>		<u>16,827</u>
Current assets					
Stocks	15	3,582		2,847	
Debtors	16	6,298		4,098	
Cash at bank and in hand		917		1,284	
		<u>10,797</u>		<u>8,229</u>	
Creditors: amounts falling due within one year	18	(8,475)		(7,609)	
		<u></u>		<u></u>	
Net current assets			2,322		620
			<u></u>		<u></u>
Total assets less current liabilities			19,293		17,447
Creditors: amounts falling due after more than one year			(64)		-
Provisions for liabilities					
Deferred tax liability	19	1,507		1,096	
Defined benefit pension liability	20	5,956		9,597	
		<u></u>	(7,463)	<u></u>	(10,693)
			<u></u>		<u></u>
Net assets			11,766		6,754
			<u></u>		<u></u>
Capital and reserves					
Called up share capital	21		25		25
Profit and loss reserves			11,741		6,729
			<u></u>		<u></u>
Total equity			11,766		6,754
			<u></u>		<u></u>

Presspart Manufacturing Limited

Statement of financial position (continued)

As at 31 December 2021

The financial statements were approved by the board of directors and authorised for issue on 23/03/2022 and are signed on its behalf by:

DocuSigned by:
Antony Cross
8672C6480BD7451...
Antony Cross
Director

DocuSigned by:
Tracey Catlow
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Tracey Catlow
Director

Company Registration No. 00995387

Presspart Manufacturing Limited**Statement of changes in equity
For the year ended 31 December 2021**

		Share capital	Profit and loss reserves	Total
	Notes	£000	£000	£000
Balance at 1 January 2020		25	7,708	7,733
Year ended 31 December 2020:				
Profit for the year		-	4,464	4,464
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	(2,555)	(2,555)
Tax relating to other comprehensive income		-	612	612
Total comprehensive income for the year		-	2,521	2,521
Dividends	12	-	(3,500)	(3,500)
Balance at 31 December 2020		25	6,729	6,754
Year ended 31 December 2021:				
Profit for the year		-	5,627	5,627
Other comprehensive income:				
Actuarial gains on defined benefit plans		-	3,151	3,151
Tax relating to other comprehensive income		-	(266)	(266)
Total comprehensive income for the year		-	8,512	8,512
Dividends	12	-	(3,500)	(3,500)
Balance at 31 December 2021		25	11,741	11,766

Presspart Manufacturing Limited**Statement of cash flows****For the year ended 31 December 2021**

		2021	2020
	Notes	£000	£000
Cash flows from operating activities			
Cash generated from operations	27	6,929	7,198
Interest paid		(111)	(174)
Income taxes paid		(938)	(1,450)
Net cash inflow from operating activities		5,880	5,574
Investing activities			
Purchase of intangible assets		(35)	(42)
Purchase of tangible fixed assets		(2,921)	(1,931)
Proceeds on disposal of tangible fixed assets		209	11
Proceeds from other investments and loans		(94)	(69)
Interest received		-	1
Net cash used in investing activities		(2,841)	(2,030)
Financing activities			
Repayment of bank loans		-	(180)
Repayment of derivatives		94	68
Dividends paid		(3,500)	(3,500)
Net cash used in financing activities		(3,406)	(3,612)
Net decrease in cash and cash equivalents		(367)	(68)
Cash and cash equivalents at beginning of year		1,284	1,352
Cash and cash equivalents at end of year		917	1,284

Presspart Manufacturing Limited

Notes to the financial statements

For the year ended 31 December 2021

1 Accounting policies

Company information

Presspart Manufacturing Limited is a private company limited by shares domiciled and incorporated in England and Wales. The registered office is Whitebirk Industrial Estate, Blackburn, BB1 5RF.

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.

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 £000.

The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

The Directors' considerations have included the preparation of cash flow forecasts, which demonstrate that the company expects to generate sufficient cash to meet their liabilities as they fall due. This includes consideration of the impact of the Covid 19 pandemic on the operations of the company, which based on the 2021 performance is not expected to have any adverse impact on the company's core pharmaceutical business.

Included within creditors due within one year is £3,361,000 due to Heitkamp and Thumann KG, the company's parent undertaking. This facility is provided under an agreement which is renewed every quarter. Whilst, in the opinion of the Directors, this facility will continue to be in place over the going concern period and beyond, cash flow forecasts have been prepared which illustrate that the company is able to meet obligations as they fall due under a range of scenarios.

1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****1 Accounting policies (continued)**

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.

Tooling turnover is recognised when the final stage payment is approved by the customer.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Amortisation 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:

Licences and Patents	5 - 10 years
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1.5 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 Freehold	10 - 40 years
Assets under construction	Not depreciated
Plant and machinery	3 - 20 years
Fixtures, fittings & equipment	3 - 10 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021**

1 Accounting policies (continued)

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to net realisable value.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****1 Accounting policies (continued)*****Basic financial assets***

Basic financial assets, which include debtors, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021**

1 Accounting policies (continued)***Classification of financial liabilities***

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 company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

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

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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 company after deducting all of its liabilities.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Presspart Manufacturing Limited**Notes to the financial statements (continued)
For the year ended 31 December 2021**

1 Accounting policies (continued)**1.11 Derivatives**

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.12 Taxation

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

Current tax

The current tax payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement 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. Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income. 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.

Presspart Manufacturing Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

1 Accounting policies (continued)

1.13 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.

1.14 Retirement benefits

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

For the defined benefit section the amounts charged to operating profit are the current service costs and gains and losses on settlements and curtailments. They are included as part of staff costs. Past service costs are recognised immediately in the profit and loss account if the benefits have vested. If the benefits have not vested immediately, the costs are recognised over the period until vesting occurs. The interest cost and the expected return on assets are shown as a net amount of other financial costs or credits adjacent to interest. Actuarial gains and losses are recognised immediately in the statement of total recognised gains and losses.

The defined benefit section is funded, with the assets held separately from those of the company, in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent currency and term to the scheme liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The resulting defined benefit asset or liability, net of the related deferred tax, is presented separately after other net assets on the face of the balance sheet.

The net interest element is determined by multiplying the net defined benefit liability by the discount rate, taking into account any changes in the net defined benefit liability during the period as a result of contribution and benefit payments. The net interest is recognised in profit or loss as other finance revenue or cost.

Remeasurement changes comprise actuarial gains and losses, the effect of the asset ceiling and the return on the net defined benefit liability excluding amounts included in net interest. These are recognised immediately in other comprehensive income in the period in which they occur and are not reclassified to profit and loss in subsequent periods.

Presspart Manufacturing Limited

Notes to the financial statements (continued)

For the year ended 31 December 2021

1 Accounting policies (continued)

The net defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information, and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme.

1.15 Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the transaction date. Assets and liabilities expressed in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date.

1.16 Research and development

Research expenditure is written off to the profit and loss account in the year in which it is incurred.

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****2 Critical accounting judgements and key sources of estimation uncertainty**

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Critical Judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Provisions

Provision is made for bad and doubtful debts and obsolete stock. These provisions require management's best estimate of the recoverability of trade debtors and the expected future use of stock.

Defined benefit pension scheme

The company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including; life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and the current trends.

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2021	2020
	£000	£000
Turnover analysed by class of business		
Sale of goods	38,988	37,440
	<u> </u>	<u> </u>

Presspart Manufacturing Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2021**3 Turnover and other revenue (continued)**

	2021	2020
	£000	£000
Turnover analysed by geographical market		
United Kingdom	2,258	2,113
Rest of Europe	21,359	20,556
The Americas	2,840	4,272
Asia	11,813	9,978
Other	718	521
	<u>38,988</u>	<u>37,440</u>

	2021	2020
	£000	£000
Other significant revenue		
Interest income	-	1
	<u>-</u>	<u>1</u>

4 Operating profit

	2021	2020
	£000	£000
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(29)	(38)
Depreciation of owned tangible fixed assets	2,543	2,512
Profit on disposal of tangible fixed assets	(112)	(1)
Amortisation of intangible assets	172	173
	<u>2,574</u>	<u>2,646</u>

5 Auditor's remuneration

	2021	2020
	£000	£000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	26	25
	<u>26</u>	<u>25</u>
For other services		
Taxation compliance services	6	6
All other non-audit services	17	14
	<u>23</u>	<u>20</u>

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****5 Auditor's remuneration (continued)****For services in respect of associated pension schemes**

Audit-related assurance services	-	4
	<u> </u>	<u> </u>

6 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021	2020
	Number	Number
Production	148	149
Sales and distribution	13	14
Administration	13	13
	<u> </u>	<u> </u>
Total	174	176
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021	2020
	£000	£000
Wages and salaries	6,128	6,383
Social security costs	627	541
Pension costs	686	607
	<u> </u>	<u> </u>
	7,441	7,531
	<u> </u>	<u> </u>

In addition to the above, the company also incurred payroll costs of £212k (2020 - £211k) which are included within other financial statement cost centres.

7 Interest receivable and similar income

	2021	2020
	£000	£000
Interest income		
Interest on bank deposits	-	1
	<u> </u>	<u> </u>

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****7 Interest receivable and similar income (continued)**

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss

-	1
<u> </u>	<u> </u>

8 Directors' remuneration

2021	2020
£000	£000

Remuneration for qualifying services	484	498
Company pension contributions to defined contribution schemes	52	49
	<u> </u>	<u> </u>
	536	547
	<u> </u>	<u> </u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2020 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

2021	2020
£000	£000

Remuneration for qualifying services	212	247
Company pension contributions to defined contribution schemes	23	22
	<u> </u>	<u> </u>

9 Interest payable and similar expenses

2021	2020
£000	£000

Interest on financial liabilities measured at amortised cost:

Interest payable to group undertakings	111	174
Other finance costs:		
Net interest on the net defined benefit liability	154	192
	<u> </u>	<u> </u>
	265	366
	<u> </u>	<u> </u>

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****10 Other gains and losses**

	2021	2020
	£000	£000
Fair value gains/(losses) on financial instruments		
Change in value of financial assets held at fair value through profit or loss	(94)	(69)

11 Taxation

	2021	2020
	£000	£000
Current tax		
UK corporation tax on profits for the current period	1,172	1,064
Adjustments in respect of prior periods	(146)	(32)
Total current tax	1,026	1,032
Deferred tax		
Origination and reversal of timing differences	(110)	(95)
Adjustment in respect of prior periods	522	94
Total deferred tax	412	(1)
Total tax charge	1,438	1,031

Presspart Manufacturing Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2021**11 Taxation (continued)**

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021	2020
	£000	£000
Profit before taxation	7,065	5,495
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	1,342	1,044
Tax effect of expenses that are not deductible in determining taxable profit	47	10
Adjustments in respect of prior years	281	(70)
Depreciation on assets not qualifying for tax allowances	44	42
Amortisation on assets not qualifying for tax allowances	-	5
Patent box relief	(132)	(66)
Defined benefit pension scheme adjustment	(144)	66
	<u> </u>	<u> </u>
Taxation charge for the year	1,438	1,031
	<u> </u>	<u> </u>

In addition to the amount charged to the income statement, the following amounts relating to tax have been recognised directly in other comprehensive income:

	2021	2020
	£000	£000
Deferred tax arising on:		
Actuarial differences recognised as other comprehensive income	266	(612)
	<u> </u>	<u> </u>

The standard rate of tax applied to reported profit on ordinary activities is 19% (2020: 19%). During the year beginning 1 January 2022, the net reversal of deferred tax assets and liabilities is expected to increase the corporation charge for the year by £160k. This is due to the reversal of accelerated capital allowances and the availability of research and development allowances. There is no expiry date on timing differences, unused tax losses or tax credits.

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****12 Dividends**

2021	2020
£000	£000

Interim paid	3,500	3,500
	<u> </u>	<u> </u>

13 Intangible fixed assets

Licences and Patents
£000

Cost

At 1 January 2021	1,740
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Additions - separately acquired	35
	<u> </u>

At 31 December 2021	1,775
	<u> </u>

Amortisation and impairment

At 1 January 2021	1,346
-------------------	-------

Amortisation charged for the year	172
	<u> </u>

At 31 December 2021	1,518
	<u> </u>

Carrying amount

At 31 December 2021	257
	<u> </u>

At 31 December 2020	394
	<u> </u>

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****14 Tangible fixed assets**

	Land and buildings Freehold	Assets under construction	Fixtures, fittings & equipment	Plant and machinery	Total
	£000	£000	£000	£000	£000
Cost					
At 1 January 2021	6,145	264	8,494	25,515	40,418
Additions	1,332	711	323	555	2,921
Disposals	(127)	(13)	(113)	(269)	(522)
Transfer	-	(251)	20	231	-
At 31 December 2021	7,350	711	8,724	26,032	42,817
Accumulated depreciation and impairment					
At 1 January 2021	1,972	-	5,010	17,003	23,985
Charge for the year	238	-	664	1,641	2,543
Eliminated on disposal	(80)	-	(82)	(263)	(425)
At 31 December 2021	2,130	-	5,592	18,381	26,103
Carrying amount					
At 31 December 2021	5,220	711	3,132	7,651	16,714
At 31 December 2020	4,173	264	3,484	8,512	16,433

Freehold land amounting to £693,000 (2020: £400,000) has not been depreciated. The brought forward cost and depreciation figures for tangible and intangible fixed assets have been restated to better align with the internal classifications applied in the company's fixed asset reporting. The amounts involved are not material to the financial statements and have no overall impact on the reported net book values.

15 Stocks

	2021 £000	2020 £000
Raw materials and consumables	1,689	1,006
Finished goods and goods for resale	1,893	1,841
	3,582	2,847

Presspart Manufacturing Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2021**16 Debtors**

	2021	2020
	£000	£000
Amounts falling due within one year:		
Trade debtors	5,340	3,280
Amounts owed by group undertakings	-	4
Other debtors	384	343
Prepayments and accrued income	574	441
	<u>6,298</u>	<u>4,068</u>
	2021	2020
	£000	£000
Amounts falling due after more than one year:		
Derivative financial instruments	-	30
	<u>-</u>	<u>30</u>
Total debtors	<u>6,298</u>	<u>4,098</u>

Trade debtors disclosed above are measured at amortised cost.

17 Financial instruments

	2021	2020
	£000	£000
Carrying amount of financial assets		
Debt instruments measured at amortised cost	6,552	4,908
Instruments measured at fair value through profit or loss	-	30
	<u>6,552</u>	<u>4,938</u>
Carrying amount of financial liabilities		
Measured at fair value through profit or loss		
- Other financial liabilities	64	-
Measured at amortised cost	8,039	7,346
	<u>8,103</u>	<u>7,346</u>

Presspart Manufacturing Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2021**18 Creditors: amounts falling due within one year**

	2021	2020
	£000	£000
Trade creditors	3,258	1,469
Amounts owed to group undertakings	3,367	4,495
Corporation tax	137	47
Other taxation and social security	204	216
Accruals and deferred income	1,509	1,382
	<u>8,475</u>	<u>7,609</u>

19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities	Liabilities
	2021	2020
	£000	£000
Balances:		
ACAs	1,531	1,112
Tax losses	-	(16)
Other timing differences	(24)	-
	<u>1,507</u>	<u>1,096</u>

	2021
	£000
Movements in the year:	
Liability at 1 January 2021	1,096
Credit to profit or loss	(110)
Effect of change in tax rate - profit or loss	521
Liability at 31 December 2021	<u>1,507</u>

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****20 Retirement benefit schemes****Defined contribution schemes**

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The charge to profit and loss in respect of defined contribution schemes was £595,000 (2020: £538,000)

Defined benefit schemes

The group operates a funded defined benefit scheme arrangement. The assets are held independently of the group in trustee administered funds. The defined benefit section was frozen on 1 October 2001 and subsequent contributions were made to a defined contribution scheme, the assets of which are held independently of the group in trustee administered funds.

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out at 5 April 2020 using a market based approach. That valuation has been updated to 31 December 2021 by the independent actuaries.

Key assumptions

	2021	2020
	%	%
Discount rate	2.2	1.4
Expected rate of increase of pensions in payment	3.4	2.9
	==	==

Mortality assumptions

Assumed life expectations on retirement at age 65:

	2021	2020
	Years	Years
Retiring today		
- Males	21.5	21.4
- Females	23.7	23.6
	==	==
Retiring in 20 years		
- Males	20.4	20.4
- Females	22.5	22.4
	==	==

Presspart Manufacturing Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2021**20 Retirement benefit schemes (continued)**

Amounts recognised in the income statement

	2021	2020
	£000	£000
Net interest on defined benefit liability/(asset)	154	192
Other costs and income	90	55
Total costs	<u>244</u>	<u>247</u>

Of the total expenses for the year £756,000 (2020: £540,000) is included in cost of sales and £154,000 (2020: £192,000) in finance costs.

Amounts taken to other comprehensive income

	2021	2020
	£000	£000
Actual return on scheme assets	(1,176)	(851)
Less: calculated interest element	261	384
Return on scheme assets excluding interest income	<u>(915)</u>	<u>(467)</u>
Actuarial changes related to obligations	<u>(2,236)</u>	<u>3,022</u>

The amounts included in the statement of financial position arising from the company's obligations in respect of defined benefit plans are as follows:

	2021	2020
	£000	£000
Present value of defined benefit obligations	28,490	31,197
Fair value of plan assets	<u>(20,549)</u>	<u>(19,349)</u>
Deficit in scheme	7,941	11,848
Deferred taxation balance relating to pension schemes	<u>(1,985)</u>	<u>(2,251)</u>
Total liability recognised	<u>5,956</u>	<u>9,597</u>

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****20 Retirement benefit schemes (continued)**

Movements in the present value of defined benefit obligations

	2021
	£000
Liabilities at 1 January 2021	31,197
Benefits paid	(886)
Actuarial gains and losses	(2,236)
Interest cost	415
	<hr/>
At 31 December 2021	28,490
	<hr/> <hr/>

The defined benefit obligations arise from plans which are wholly or partly funded.

Movements in the fair value of plan assets

	2021
	£000
Fair value of assets at 1 January 2021	19,349
Interest income	261
Return on plan assets (excluding amounts included in net interest)	915
Benefits paid	(886)
Contributions by the employer	1,000
Other	(90)
	<hr/>
At 31 December 2021	20,549
	<hr/> <hr/>

The actual return on plan assets was a gain of £1,176,000 (2020: £851,000).

Fair value of plan assets at the reporting period end

	2021	2020
	£000	£000
Equity instruments	9,185	8,519
Corporate bonds	6,230	6,226
Government bonds	3,588	3,130
Cash	299	268
Other assets (property and hedge funds)	1,247	1,206
	<hr/>	<hr/>
	20,549	19,349
	<hr/> <hr/>	<hr/> <hr/>

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****21 Share capital**

	2021	2020
	£000	£000
Ordinary share capital		
Authorised		
25,000 Ordinary shares of £1 each	25	25
	<u> </u>	<u> </u>
Issued and fully paid		
25,000 Ordinary shares of £1 each	25	25
	<u> </u>	<u> </u>

The company has one class of ordinary shares which carry no right to fixed income.

22 Financial commitments, guarantees and contingent liabilities

A contingent liability exists in that the Trustees of the Presspart Manufacturing Retirement Benefit Scheme have the right to request a one-off payment into the scheme. The amount of any claim is not yet determined, however the directors estimate that a claim, if made, would not be more than £173,000.

A contingent liability also exists in that the company has provided a cross guarantee in respect of an asset finance agreement taken out by a fellow group company, Presspart GmbH & Co KG. The amount guaranteed is £11,390k.

23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2021	2020
	£000	£000
Acquisition of tangible fixed assets	713	184
	<u> </u>	<u> </u>

24 Related party transactions**Remuneration of key management personnel**

The remuneration of key management personnel is as follows.

	2021	2020
	£000	£000
Aggregate compensation	536	547
	<u> </u>	<u> </u>

Presspart Manufacturing Limited**Notes to the financial statements (continued)****For the year ended 31 December 2021****24 Related party transactions (continued)**

The following amounts were outstanding at the reporting end date:

	2021	2020
	£000	£000
Amounts due to related parties		
Entities with control, joint control or significant influence over the company	3,491	4,517
Entities over which the entity has control, joint control or significant influence	58	41
	<u> </u>	<u> </u>
Amounts due from related parties	2021	2020
	£000	£000
Entities with control, joint control or significant influence over the company	-	6
Entities over which the entity has control, joint control or significant influence	16	4
	<u> </u>	<u> </u>

25 Ultimate controlling party

The ultimate parent company is Heitkamp & Thumann KG, a company based in Germany. This is also the ultimate controlling party of the company.

26 Analysis of changes in net funds

	1 January	Cash flows	31 December
	2021		2021
	£000	£000	£000
Cash at bank and in hand	1,284	(367)	917
	<u> </u>	<u> </u>	<u> </u>

Presspart Manufacturing Limited**Notes to the financial statements (continued)**
For the year ended 31 December 2021**27 Cash generated from operations**

	2021	2020
	£000	£000
Profit for the year after tax	5,627	4,464
Adjustments for:		
Taxation charged	1,438	1,031
Finance costs	265	366
Investment income	-	(1)
Gain on disposal of tangible fixed assets	(112)	(1)
Amortisation and impairment of intangible assets	172	173
Depreciation and impairment of tangible fixed assets	2,544	2,512
Other gains and losses	94	69
Pension scheme non-cash movement	(910)	(540)
Movements in working capital:		
Increase in stocks	(735)	(242)
(Increase)/decrease in debtors	(2,230)	501
Increase/(decrease) in creditors	776	(1,134)
Cash generated from operations	6,929	7,198