Registered number: 01160907

TRUMPF LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2023

COMPANY INFORMATION

Directors	L Moakes G J Jones J Herr T Baur
Company secretary	J Herr
Registered number	01160907
Registered office	Unit A Airport Executive Park President Way Luton Bedfordshire LU2 9NL
Independent auditor	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 103 Colmore Row Birmingham B3 3AG

TRUMPF LIMITED

CONTENTS

STRATEGIC REPORT
FOR THE YEAR ENDED 30 JUNE 2023

The directors present their Strategic Report for the year ended 30 June 2023.

Principal activity

The Company is a member of the TRUMPF Group, a high tech company offering production solutions in the machine tool and laser technology sector. The Company's principal activity is the supply of machines, tools and services in the United Kingdom and the Republic of Ireland.

Business review

The activities of the TRUMPF Limited are regularly assessed based on several key performance indicators.

The most important ones describing the status of the business are:

Turnover

During the year the constraints on the supply chain eased and the turnover picked up. By the end of the Financial Year 2022/2023 the turnover reached a new record high of £59.8m, an increase by 36.9% compared to the previous year *(2021/22 - £43.7m)*.

The Order Intake remained strong throughout the year, leading the company into the following Financial Year with a solid order backlog.

Gross Margin/Operating Margin

The Gross Margin slightly improved to 25% *(2021/22 - 24%)* with the Operating Margin surging to 3.4% *(2021/22 - 2.4%)*.

Profit

Despite the increasing sales, the companies profit for the year remained on previous year level £1.463m *(2021/22 - £1.509m)*.

Celebrating the 100th Anniversary of the TRUMPF Group in 2023, TRUMPF Limited had another successful year and is looking forward to its 50th Anniversary in 2024.

Principal risks and uncertainties

The business and its adopted strategies are subject to a number of risks. The Company's Senior Management Team regularly analyses and assesses existing and potential strategic, commercial, financial, legal and social risks and defines strategies to mitigate them. The company has implemented a coordinated set of risk management, policies and control systems, including strategic planning, management reporting and a compliance system. These systems are embedded in the TRUMPF Group's risk management system, and are audited regularly in order to ensure its effectiveness.

S172 reporting

The Board consider, both individually and collectively, that they have acted in a way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s.172 (a-f) of the Companies Act 2006) in the decisions taken during the year ended 30 June 2023.

Long term consequences

We want to satisfy our customers, employees, owners and society in equal measure. In each of our sectors of activity we are leaders on a world scale, in terms of both technology and organization. We aim to achieve continuous growth that is above average for the sectors in which we are active.

Material decisions taken in the year include management to further develop its organisation for future growth.

In making these material decisions, the Board took conscious steps to identify and take account of the potential impact (both positively and negatively) on key stakeholder groups (such as shareholders, employees, suppliers, customers and society as a whole) and concluded that the decisions taken and the anticipated outcomes were aligned with promoting the success of the company for the benefit of its members.

Interest of Employees

The same high performance and quality expectations followed by the entire company are also placed on our employees. The safeguarding of jobs is a high priority for us, as is a fair system of remuneration. We promote our employees' personal and professional competence. Creative freedom is just as important as a readiness to express, and criticism is seen as an opportunity. We treat each other with mutual respect and together see to the protection of the company's intellectual and material property.

We endeavour to provide conditions that enable our employees to perform well in safe environments. This includes a healthy work-life balance, health and mental well-being and the pursuit of diversity among our employees.

Please also refer to comments made in the Directors' Report; sub-section: Employees.

Foster Business Relationships

Our products and services are known on the market to be innovative and reliable as well as tried and tested

in industry conditions. With the continuous development of machine technologies, we develop and maintain

strong relationships with both suppliers and customers alike.

Impact of Operations

Our corporate responsibility is to handle resources carefully and to avoid negative impact on the environment as much as possible, coupled with a conscious approach to plan for the long term and to actively involve ourselves in shaping the conditions within which our main trading subsidiary operates in.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Maintaining Reputation

Our position as a high tech company offering production solutions in the machine tool, laser sector is embedded in the culture of the company. Our drive to provide innovative and reliable products to our customers is at the forefront of business decision making processes.

Acting fairly

Our intention is to behave responsibly toward our stakeholders and to treat them fairly, so they too benefit from the successful delivery of our long-term plans.

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

L Moakes
Director

Date: 6 March 2024

**DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2023**

The directors present their report and the financial statements for the year ended 30 June 2023.

Results and dividends

The profit for the year, after taxation, amounted to £1,462,623 *(2022 - £1,509,272).*

During the year the Company paid a dividend of £3,000,000 *(2022* - £Nil)

Directors

The directors who served during the year were:

L Moakes
G J Jones
J Herr
T Baur

Future developments

Management has developed a strategic plan to continue to grow and develop the business. The core strategy remains around recruiting and retaining a skilled team to deliver the high levels of customer service our customers are accustomed to, whilst expanding the market share in the United Kingdom.

Employees

The Directors recognise that the Company's future success in a highly competitive world depends upon our employees and the development of their skills and abilities.

It is our aim that there shall be equal opportunities throughout the Company applicable, but not limited to, our policies and practices on recruitment, training, promotion, and performance management. There will be no discrimination on the grounds of an employee's sex, gender reassignment, marital status, race (which includes colour, nationality and ethnic or national origins), disability, sexual orientation, religion or belief, or age.

Within the Company's employee recruitment practices, candidates are selected and appointed on the basis of their ability to perform the duties of the job. Encouragement is given in the training, career development and promotion of all employees according to the opportunities available, organisational requirements and individual skills, competence and abilities. This policy includes disabled employees for whom any further necessary training is arranged, and any reasonable adjustments are made taking account of their particular needs. The Company also supports employees who have become disabled during employment with the Company, with the aim to maintain their pre-disability position.

Communication with employees is achieved through regular Company briefings, information bulletins and individually through team meetings and individual performance discussions. The Company also has a policy of consulting with employees about matters that may concern them.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2023

Directors' indemnities

The Company has indemnified the directors of the Company against liability in respect of proceedings brought by third parties subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force during the year and continues to be in force as at the date of this report. The Company has purchased directors' and officers' liability insurance.

Going concern basis

The Directors have formed reasonable judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the financial statements.

The Directors have reviewed financial projections and cash flow forecasts for the next 12 months and are satisfied that the company has adequate resources to continue in operation for the foreseeable future and consequently the financial statements continue to be prepared on a going concern basis.

Greenhouse gas emissions, energy consumption and energy efficiency action

In the financial year 2022/2023, the company used 1,879 MWh of energy *(2022 - 1,823 MWh)*. This is composed of 1,446 MWh from fuel *(2021/22 - 1,366 MWh)*, 200 MWh of electricity (2021/22 - 203 MWh) and 233 MWh of natural gas *(2021/22 - 249 MWh)*. This means the company was responsible for the emission of 447.9 tonnes of CO2e in the financial year 2022/2023 *(2021/22 - 436.4 tonnes of CO2e)*. The transformation from kWh into t CO2e has been made using the UK government GHG Conversion Factor 2022.

The chosen intensity measurement ratio is the total CO2e emission in metric tonnes CO2e per average employee. During the financial year the intensity ratio has increased to 4.78 t CO2e emission per average employee *(2022 - 5.07 t CO2e)*.

The TRUMPF Group has committed to the Paris Agreement's 1.5 C target and is reducing its emissions accordingly. In concrete terms, this means that by 2030, there should be 55 percent fewer emissions from TRUMPF locations and the vehicle fleet (Scopes 1+2) and 14 percent fewer emissions in the upstream and downstream value chains (Scope 3) – in each case compared to 2019. In view of TRUMPF's strong growth, these goals are a challenge that requires particular attention. For this reason, TRUMPF has included sustainability in its long-term TRUMPF strategy in fiscal year 2022/23.

In the financial year 2022/2023 the energy consumption of TRUMPF Limited has slightly increased mainly due to increased business activities (diesel consumption).

We are considering the impact on our carbon foot print in our day to day and strategic decisions.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Post balance sheet events

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

Auditor

The auditor, CLA Evelyn Partners Limited, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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

L Moakes
Director

Date: 6 March 2024

DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 30 JUNE 2023

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 for the Company's financial statements 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 to 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.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUMPF LIMITED

Opinion
We have audited the financial statements of TRUMPF Limited (the 'Company') for the year ended 30 June 2023 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the 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 FRS 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 30 June 2023 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.

Other information

The other information comprises the information included in the Annual Report and Financial Statements, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Financial Statements. 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 or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which 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 set out on page 7, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUMPF 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Company's industry and regulation.

We understand that the Company complies with the framework through:

- Outsourcing statutory accounts preparation, management accounts preparation and tax compliance to external experts.
- Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.
- The directors' close involvement in the day-to-day running of the business, meaning that any litigation or claims would come to their attention directly.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Company:

- The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.
The areas identified in this discussion were:

- Stock provision and bad debt provision, as these are estimates made by management.
- Payment of bonuses based on sales, which creates an incentive for management to manipulate results.
- Manipulation of the financial statements, especially revenue, via fraudulent journal entries, particularly as the size of the Company means that there is little opportunity for segregation of duties.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

- Challenging management regarding the assumptions used in the estimates identified above, and comparison to market data and post-year-end data as appropriate.
- Substantive work on material areas affecting profits.
- Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those posted at unusual times.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUMPF LIMITED

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

Use of our 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.

Stephen Drew (Senior Statutory Auditor)

for and on behalf of
CLA Evelyn Partners Limited

Chartered Accountants
Statutory Auditor

103 Colmore Row
Birmingham
B3 3AG

6 March 2024

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2023

	Note	2023 £	*2022* *£*
Turnover	4	**59,829,899**	*43,712,357*
Cost of sales		**(45,087,435)**	*(33,195,259)*
Gross profit		**14,742,464**	*10,517,098*
Administrative expenses		**(12,750,446)**	*(9,630,218)*
Other operating income	5	**51,159**	*141,603*
Operating profit	6	**2,043,177**	*1,028,483*
Interest receivable and similar income	10	**-**	*840,375*
Interest payable and similar expenses	11	**(306,355)**	*(14,956)*
Other finance income		**139,117**	*121,585*
Profit before tax		**1,875,939**	*1,975,487*
Tax on profit	12	**(413,316)**	*(466,215)*
Profit for the financial year		**1,462,623**	*1,509,272*

The notes on pages 15 to 32 form part of these financial statements.

BALANCE SHEET
AS AT 30 JUNE 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	13		**2,410,351**		*998,560*
			2,410,351		*998,560*
Current assets					
Stocks	14	**4,663,387**		*3,400,104*	
Debtors: amounts falling due within one year	15	**13,754,462**		*10,093,297*	
Cash at bank and in hand		**13,482,221**		*10,165,179*	
		31,900,070		*23,658,580*	
Creditors: amounts falling due within one year	16	**(25,049,139)**		*(14,436,812)*	
Net current assets			**6,850,931**		*9,221,768*
Total assets less current liabilities			**9,261,282**		*10,220,328*
Provisions for liabilities					
Deferred tax	18		**(343,052)**		*(223,469)*
Other provisions	19		**(1,284,275)**		*(825,527)*
Net assets			**7,633,955**		*9,171,332*
Capital and reserves					
Called up share capital	20		**4,500,000**		*4,500,000*
Profit and loss account	21		**3,133,955**		*4,671,332*
			7,633,955		*9,171,332*

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

L Moakes
Director

Date: 6 March 2024

The notes on pages 15 to 32 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2023

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 July 2021	**4,500,000**	**3,162,060**	**7,662,060**
Comprehensive income for the year			
Profit for the year	-	**1,509,272**	**1,509,272**
At 1 July 2022	**4,500,000**	**4,671,332**	**9,171,332**
Comprehensive income for the year			
Profit for the year	-	**1,462,623**	**1,462,623**
Contributions by and distributions to owners			
Dividends: Equity capital	-	**(3,000,000)**	**(3,000,000)**
At 30 June 2023	**4,500,000**	**3,133,955**	**7,633,955**

1. General information

TRUMPF Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 01160907). The registered office address is Unit A President Way, Airport Executive Park, Luton, Bedfordshire, LU2 9NL.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

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

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of TRUMPF SE + Co. KG as at 30 June 2023 and these financial statements may be obtained from TRUMPF Limited, Unit A President Way, Airport Executive Park, Luton, Bedfordshire, LU3 9NL.

2.3 Going concern

The Company's business activities, together with the factors likely to impact its future development, performance and position are set out in the business review on page 1.

On the basis of their assessment of the Company's financial position and of the enquiries made, the directors of the Company came to the conclusion that there are no material uncertainties or conditions that may cast significant doubt about the ability of the Company to continue as a going concern.

The directors therefore have a reasonable expectation that the Company has adequate resources to continue in operational existence for the forseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

2.5 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Machine sales are recognised upon delivery to the customer.

Spare parts sales are recognised on despatch of the goods.

Service-operations are recognised when they are performed.

Turnover from service and extended warranty contracts is recognised on a straight-line basis over the agreed contractual term.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2. Accounting policies (continued)

2.9 Tangible fixed assets

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

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

Depreciation is provided on the following basis:

Demonstration machines	-	20%
Leasehold improvements	-	20%
Motor vehicles	-	25%
Furniture and fittings	-	20%
Office equipment	-	33%

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.11 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

2. Accounting policies (continued)

2.12 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.13 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

Financial instruments are recognised in the Company's Balance Sheet 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Other financial assets

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Other financial instruments

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

Financial assets and financial liabilities are recognised in the Balance Sheet when the Company becomes a party to the contractual provisions of the instrument.

2. Accounting policies (continued)

2.13 Financial instruments (continued)

Trade and other debtors and creditors are classified as basic financial instruments and measured on initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

Interest bearing bank loans, overdrafts and other loans which meet the criteria to be classified as basic financial instruments are initially recorded at the present value of cash payable to the bank, which is ordinarily equal to the proceeds received net of direct issue costs. These liabilities are subsequently measured at amortised cost, using the effective interest rate method.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and

Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgements in applying accounting policies 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.

There are no judgements that have had a significant effect on the financial statements.

Recoverability of current assets

Trade and other debtors are only recognised to the extent that they are considered recoverable. This estimate is derived with reference to receipt patterns since the end of the year but before the signing of these accounts. A provision of £323,000 *(2022 - £221,000)* has been made for any amounts where there is sufficient doubt not to meet this criteria.

Stock provision

The Company's products are subject to changing consumer demands and technological developments. As a result, it is necessary to consider the recoverability of the cost of stock and the associated provision required. The directors determine the appropriate level of provision with reference to the average monthly consumption of each stock item. A provision of £1,245,041 *(2022 - £1,474,526)* has been made in respect of products where there is sufficient doubt in respect of the stock's realisable value.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2023

4. Turnover

An analysis of turnover by class of business is as follows:

	2023 £	*2022* *£*
Sale of goods	**51,932,669**	*38,580,856*
Rendering of services	**7,897,230**	*5,131,501*
	59,829,899	*43,712,357*

Analysis of turnover by country of destination:

	2023 £	*2022* *£*
United Kingdom	**58,302,268**	*41,752,172*
Other	**1,527,631**	*1,960,185*
	59,829,899	*43,712,357*

5. Other operating income

	2023 £	*2022* *£*
Income from affiliates	**51,159**	*141,603*

6. Operating profit

The operating profit is stated after charging:

	2023 £	*2022* *£*
Exchange differences	**56,235**	*986,920*
Other operating lease rentals	**57,776**	*50,642*

7. Auditor's remuneration

During the year, the Company obtained the following services from the Company's auditor and its associates:

	2023 £	*2022* *£*
Fees payable to the Company's auditor and its associates for the audit of the Company's financial statements	**42,250**	*32,500*
Fees payable to the Company's auditor and its associates in respect of:		
Accounts preparation	**1,650**	*1,350*

8. Employees

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

	2023 £	*2022* *£*
Wages and salaries	**4,748,421**	*4,373,281*
Social security costs	**592,106**	*492,468*
Cost of defined contribution scheme	**242,510**	*239,134*
	5,583,037	*5,104,883*

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

	2023 No.	*2022* *No.*
Sales	**28**	*24*
Service	**59**	*51*
Administration	**9**	*13*
	96	*88*

9. Directors' remuneration

	2023 £	*2022 £*
Directors' emoluments	**522,748**	*522,390*
Company contributions to defined contribution pension schemes	**25,123**	*25,725*
	547,871	*548,115*

During the year retirement benefits were accruing to 3 directors *(2022 - 3)* in respect of defined contribution pension schemes.

The highest paid director received remuneration of £232,450 *(2022 - £223,638)*.

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £6,125 *(2022 - £6,065)*.

10. Interest receivable and similar income

	2023 £	*2022 £*
Interest income from hire purchase/operating lease agreements/fair value movement foreign exchange contracts	**-**	*840,375*

11. Interest payable and similar expenses

	2023 £	*2022 £*
Fair value movement foreign exchange contracts	**292,718**	-
Interest payable on intercompany loans	**13,637**	*14,956*
	306,355	*14,956*

12. Taxation

	2023	*2022*
	£	*£*
Corporation tax		
Current tax on profits for the year	**178,005**	-
Adjustments in respect of previous periods	**(448)**	-
	177,557	-
Deferred tax		
Origination and reversal of timing differences	**235,759**	*466,215*
Taxation on profit on ordinary activities	**413,316**	*466,215*

Factors affecting tax charge for the year

The tax assessed for the year is higher than *(2022 - higher than)* the standard rate of corporation tax in the UK of 20.5% *(2022 - 19%)*. The differences are explained below:

	2023	*2022*
	£	*£*
Profit on ordinary activities before tax	**1,875,939**	*1,975,487*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 20.5% *(2022 - 19%)*	**384,490**	*375,343*
Effects of:		
Fixed asset differences	**(25,507)**	-
Expenses not deductible for tax purposes	**72,300**	*6,671*
Adjustments to tax charge in respect of prior periods	**(448)**	-
Timing not recognised in the computation	**(59,995)**	-
Remeasurement of deferred tax forchanges in tax rates	**42,476**	-
Other adjustments	-	*84,201*
Total tax charge for the year	**413,316**	*466,215*

Factors that may affect future tax charges

Finance Act 2021 includes legislation to increase the main rate of corporation tax from 19% to 25% from 1 April 2023. The full anticipated effect of these changes is reflected in the above deferred tax balances.

13. Tangible fixed assets

	ɛmonstration machines	Leasehold nprovements	Motor vehicles	Furniture and fittings	Office ɛquipment	Total
	£	£	£	£	£	£
Cost						
At 1 July 2022	**1,277,460**	**493,766**	**119,801**	**155,396**	**395,897**	**2,442,320**
Additions	**1,822,622**	**-**	**-**	**-**	**37,665**	**1,860,287**
Disposals	**(860,177)**	**-**	**-**	**-**	**(28,234)**	**(888,411)**
Transfers	**366,261**	**-**	**-**	**-**	**-**	**366,261**
At 30 June 2023	**2,606,166**	**493,766**	**119,801**	**155,396**	**405,328**	**3,780,457**
Depreciation						
At 1 July 2022	**460,221**	**484,050**	**89,287**	**97,328**	**312,874**	**1,443,760**
Charge for the year	**439,760**	**-**	**16,583**	**23,107**	**44,165**	**523,615**
Disposals	**(569,035)**	**-**	**-**	**-**	**(28,234)**	**(597,269)**
At 30 June 2023	**330,946**	**484,050**	**105,870**	**120,435**	**328,805**	**1,370,106**
Net book value						
At 30 June 2023	**2,275,220**	**9,716**	**13,931**	**34,961**	**76,523**	**2,410,351**
At 30 June 2022	*817,239*	*9,716*	*30,514*	*58,068*	*83,023*	*998,560*

14. Stocks

	2023 £	*2022* *£*
Finished goods and goods for resale	**4,663,387**	*3,400,104*

15. Debtors

	2023 £	*2022* *£*
Trade debtors	**8,108,031**	*5,930,385*
Amounts owed by group undertakings	**4,642,346**	*2,822,228*
Other debtors	**668,629**	*378,384*
Prepayments and accrued income	**335,456**	*814,217*
Deferred taxation	**-**	*116,176*
Financial assets	-	*31,907*
	13,754,462	*10,093,297*

16. Creditors: Amounts falling due within one year

	2023 £	*2022* *£*
Trade creditors	**636,572**	*789,421*
Amounts owed to group undertakings	**9,437,294**	*2,445,642*
Other taxation and social security	**2,496,885**	*1,062,226*
Other creditors	**66,055**	*41,652*
Accruals and deferred income	**12,151,522**	*10,097,871*
Financial liabilities	**260,811**	-
	25,049,139	*14,436,812*

17. Financial instruments

	2023 £	*2022 £*
Financial assets		
Financial assets measured at fair value through profit or loss	-	*31,907*
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	(260,811)	*-*

Financial assets measured at fair value through profit or loss comprise forward currency contracts. The fair value is determined using valuation techniques that utilise observable inputs. The key inputs used in valuing the derivatives are the forward exchange rates for GBP:EUR.

Financial liabilities measured at fair value through profit or loss comprise forward currency contracts.

18. Deferred taxation

	2023 £	*2022 £*
At beginning of year	(107,293)	*358,922*
Charged to profit or loss	(235,759)	*(466,215)*
At end of year	**(343,052)**	*(107,293)*

The deferred tax balance is made up as follows:

	2023 £	*2022 £*
Accelerated capital allowances	(515,968)	*223,469*
Timing difference on provisions	172,916	*(330,762)*
	(343,052)	*(107,293)*
Comprising:		
Asset - due within one year	-	*116,176*
Liability	(343,052)	*(223,469)*
	(343,052)	*(107,293)*

19. Provisions

	Warranty provision	Others	Total
	£	£	£
At 1 July 2022	**751,000**	**74,527**	**825,527**
Charged to profit or loss	**272,000**	**186,748**	**458,748**
At 30 June 2023	**1,023,000**	**261,275**	**1,284,275**

The warranty provision covers the Company's obligation for failure of machines and spare parts. The accrual reflects estimations on future costs, which are uncertain in regards to the amount and the timing of the expected outflow.

The other provision covers potential losses from insolvencies and contractual obligations from machine deliveries. The provision reflects estimations on future costs, which are uncertain in regards to the amount and the timing of the expected outflow.

20. Share capital

	2023	*2022*
	£	*£*
Allotted, called up and fully paid		
4,500,000 Ordinary shares of £1.00 each	**4,500,000**	*4,500,000*

Each Ordinary share is entitled to one vote in all circumstances. Each share has equal rights to dividend and each share has an equal right to share in a distribution.

21. Reserves

Profit and Loss

This reserve relates to the cumulative retained earnings less amounts distributed to shareholders

22. Contingent liabilities

The Company ocassionally agrees to provide buy-back guarantees to finance houses who are providing funds for the purchase of equipment being supplied by the Company or to customers. At 30 June 2023, these guarantees amounted to £215,158 *(2022 - £320,496)*. If a claim was made under the terms of the guarantees the Company would acquire the equipment which was the subject of the agreement for an amount no greater than the figure of the guarantee.

Furthermore, the Company has given guarantees amounting to £nil *(2022 - £285,488)* to customers in respect of Deposit Payments for future deliveries of goods and £160,000 *(2022 - £284,493)* in favour of HM Revenue and Customs in respect of liabilities arising from the import of goods to the UK under the Duty Deferment Scheme.

23. Pension commitments

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. The pension cost charge represents contributions payable by the Company to the fund and amounted to £267,633 *(2022 - £239,134)*. Contributions totalling £47,800 *(2022 - £34,961)* were payable to the fund at the reporting date.

24. Commitments under operating leases

At 30 June 2023 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2023 £	*2022* *£*
Motor Vehicles		
Not later than 1 year	**173,838**	*189,581*
Later than 1 year and not later than 5 years	**263,350**	*278,948*
	437,188	*468,529*

	2023 £	*2022* *£*
Land and Buildings		
Not later than 1 year	**260,547**	*259,130*
Later than 1 year and not later than 5 years	**-**	*248,604*
	260,547	*507,734*

25. Commitments

As at 30 June 2023, the Company had forward commitments with TRUMPF SE + Co. KG to purchase foreign currency in respect of future trading transactions totalling £27.8m (*2022 - £40.5m*).

26. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group entities.

27. Controlling party

The immediate parent undertaking is TRUMPF International Beteiligungs GmbH, a company registered in Germany.

The ultimate parent undertaking and controlling party is TRUMPF SE + Co. KG, a company registered in Germany.

The largest and smallest group of undertakings for which group accounts for the year ended 30 June 2023 have been drawn up, is that headed by TRUMPF SE + Co. KG. Copies of the group accounts are available from TRUMPF Limited, Unit A President Way, Airport Executive Park, Luton, Bedfordshire, LU2 9NL.