

Josef Gartner & Co. U.K. Limited
Financial Statements
For the year ended
31 March 2023



Josef Gartner & Co. U.K. Limited

Financial Statements

Year ended 31 March 2023

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Josef Gartner & Co. U.K. Limited

Officers and Professional Advisers

Director	J. Conboye S. Mahajan
Registered office	2nd Floor 1 Old Jewry London England EC2R 8DN
Auditor	Rostance Edwards Limited Chartered accountants & statutory auditor 1 & 2 Heritage Park Hayes Way Cannock Staffordshire WS11 7LT

Josef Gartner & Co. U.K. Limited

Strategic Report

Year ended 31 March 2023

The directors, in preparing this strategic report, have complied with S414C of the Companies Act 2006.

Principal activity and address

Josef Gartner & Co. U.K. Limited (the 'company') has its registered office at 2nd floor, 1 Old Jewry, London, EC2R 8DN, England.

In 2011, after discussions with Josef Gartner GmbH, the sole shareholder, the directors resolved to consolidate the activities:

- the UK operations' new projects will be carried out by the sole shareholder;
- the Company would remain active for completing its remaining live projects and for fulfilling its on-going obligations on all existing contracts; and
- the sole shareholder would provide all necessary resources to the Company, to enable it to fulfil its outstanding and on-going contractual obligations.

The Company operates within the Permasteelisa Group, with design and manufacture of goods mainly carried out by the Company's sole shareholder. Since the Company will not be taking on new work, it has entered into a period of run-off until all of its contractual obligations and potential liabilities have been fulfilled or expired. This period is likely to be of about 12 years' duration from the practical completion of each project.

Business review and key performance indicators

The Income Statement for the year ended 31 March 2023 is set out on page 12. The key performance indicator for the Company is the operating profit derived from the Company's principal activity to customers during the year. Turnover remained at £Nil, the operating loss increased from £64,609 for the year ended 31st March 2022 to £378,461. The loss for the year ended 31st March 2023 is £43,044 (March 2022: profit of £375,181) mainly due to the decrease in other income.

Total current assets are equal to £2,950,692 (March 2022: £3,137,794) and creditors are equal to £272,585 (March 2022: £362,567). Provision for liabilities have decreased from £656,423 to £602,347. Shareholders' equity is equal to £2,075,760 (March 2022: £2,118,804).

The directors are satisfied with the performance of the Company for the year.

The directors do not recommend the payment of a dividend this financial year (2022: £nil).

Principal risks and uncertainties

The Company is exposed to liquidity risk. Prudent risk management implies maintaining significant cash and the availability of funding through shareholder support. The directors believe that they have sufficient resources to deal with these risks should they arise.

The Company has no hedging arrangements at the year end and has not used financial instruments to hedge its exposure to price risk, credit risk or liquidity risk during the year.

The Company primarily operates in the U.K. and the majority of transactions are conducted in sterling. As a result, the Company is not exposed to significant foreign currency transactional exposure.

The principal risks and uncertainties to which the Company is exposed is in relation to the completion and orderly settlement of its contracted obligations. This is related to the defects liability period. In order to mitigate these risks the Company has a number of defined operating procedures designed to address the risks inherent in the completion and orderly settlement of its contracted obligations.

Josef Gartner & Co. U.K. Limited

Strategic Report *(continued)*

Year ended 31 March 2023

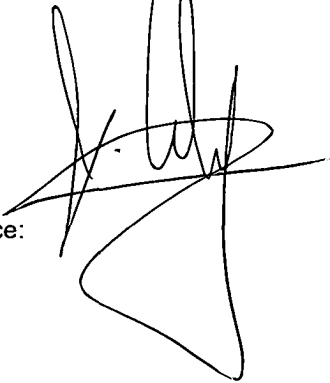
Events after the reporting period

There have been no events subsequent to the balance sheet date that require disclosure.

This report was approved by the board of directors on 21/12/2023 and signed on behalf of the board by:

J E Conboye
Director

Registered office:
2nd Floor
1 Old Jewry
London
England
EC2R 8DN

A large, stylized handwritten signature in black ink, consisting of several loops and a long horizontal stroke, positioned over the registered office address.

Josef Gartner & Co. U.K. Limited

Directors' Report

Year ended 31 March 2023

The directors present their report and the financial statements of the company for the year ended 31 March 2023.

Directors

The directors who served the company during the year were as follows:

J. Conboye	(Appointed 24 October 2022)
M. Deil	(Resigned 17 October 2022)
K. Lothar	(Resigned 31 March 2023)

Dividends

This information is reported in the Strategic Report.

Future developments

The Company is principally engaged in completing its existing contracts for the supply and installation of curtain walling in the UK. Please refer to further information reported in the Strategic Report.

Going concern

The Company continues to operate, its primary remaining activities being the physical completion of work and commercial finalisation on current contracts and the rectification of any latent defects in its works on completed projects for which it is found to be liable. The costs associated with any such liability are re-charged to sub-contractors and suppliers where appropriate and possible but some costs will remain with the Company. The extent of such residual costs will only become apparent during the period of run-off of the completed projects. However, the directors are not aware of any existing defects that the Company cannot rectify or of any existing liabilities that the Company cannot accommodate or pass on to others. Further, the directors are not aware of any pending issues that are likely to lead to significant liabilities arising.

In forming this opinion, the Directors have also considered a letter of support from ACR III Construction Holdings BV issued to Permasteelisa S.p.A. for consolidation and separate statements for year ended March 2023. This letter agrees to provide or procure adequate financial resources to allow the Company to meet its contractual obligations as they fall due or for a period of not less than 12 months from the date of signing the financial statements.

In view of this, the directors have adopted the going concern basis of accounting for the preparation of the financial statements.

Directors' responsibilities statement

The directors are responsible for preparing the strategic report, 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 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 the profit or loss of the company for that period.

Josef Gartner & Co. U.K. Limited

Directors' Report *(continued)*

Year ended 31 March 2023

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

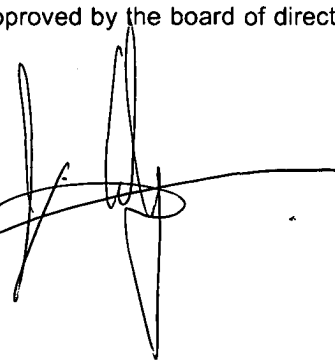
- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

A resolution to reappoint Rostance Edwards Limited as auditors will be proposed at the forthcoming Annual General Meeting.

This report was approved by the board of directors on 21/12/2023 and signed on behalf of the board by:

J E Conboye
Director

Registered office:
2nd Floor
1 Old Jewry
London
England
EC2R 8DN



Josef Gartner & Co. U.K. Limited

Independent Auditor's Report to the Members of Josef Gartner & Co. U.K. Limited

Year ended 31 March 2023

Opinion

We have audited the financial statements included within the Annual Report and Financial Statements (the "Annual Report") for the year ended 31 March 2023 which comprise the Income Statement, the Statement of Changes in Equity, the Statement of Financial Position as at 31 March 2023, the significant accounting policies and the notes to the financial statements.

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 work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2023 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework"), and applicable law;
- 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.

Josef Gartner & Co. U.K. Limited

Independent Auditor's Report to the Members of Josef Gartner & Co. U.K. Limited *(continued)*

Year ended 31 March 2023

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Josef Gartner & Co. U.K. Limited

Independent Auditor's Report to the Members of Josef Gartner & Co. U.K. Limited (continued)

Year ended 31 March 2023

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.

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:

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 considered the nature of the Company's industry and its control environment and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation, tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

Josef Gartner & Co. U.K. Limited

Independent Auditor's Report to the Members of Josef Gartner & Co. U.K. Limited (continued)

Year ended 31 March 2023

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

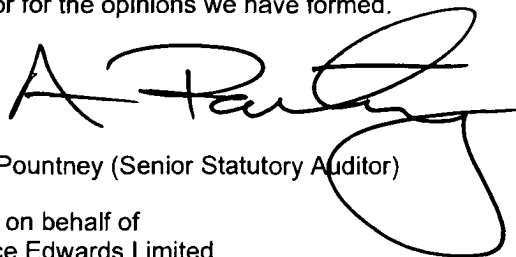
Josef Gartner & Co. U.K. Limited

Independent Auditor's Report to the Members of Josef Gartner & Co. U.K. Limited *(continued)*

Year ended 31 March 2023

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.



Mr A P Pountney (Senior Statutory Auditor)

For and on behalf of
Rostance Edwards Limited
Chartered accountants & statutory auditor
1 & 2 Heritage Park
Hayes Way
Cannock
Staffordshire
WS11 7LT

22 DECEMBER 2023.

Josef Gartner & Co. U.K. Limited

Income Statement

Year ended 31 March 2023

	Note	2023 £	2022 £
Administrative expenses		<u>378,461</u>	<u>64,609</u>
Operating loss		(378,461)	(64,609)
Other interest receivable and similar income	5	<u>78,786</u>	<u>4,678</u>
Other operating income	4	<u>256,631</u>	<u>435,112</u>
(Loss)/profit before taxation		(43,044)	375,181
Tax on (loss)/profit		<u>-</u>	<u>-</u>
(Loss)/profit for the financial year and total comprehensive income		<u>(43,044)</u>	<u>375,181</u>

All the activities of the company are from continuing operations.

The notes on pages 14 to 23 form part of these financial statements.

Josef Gartner & Co. U.K. Limited

Statement of Financial Position

31 March 2023

	Note	2023 £	2022 £
Current assets			
Debtors	6	2,950,692	3,137,794
Creditors: amounts falling due within one year	7	<u>272,585</u>	<u>362,567</u>
Net current assets		<u>2,678,107</u>	<u>2,775,227</u>
Total assets less current liabilities		<u>2,678,107</u>	<u>2,775,227</u>
Provisions	8	<u>602,347</u>	<u>656,423</u>
Net assets		<u><u>2,075,760</u></u>	<u><u>2,118,804</u></u>
Capital and reserves			
Called up share capital	9	20,000	20,000
Profit and loss account		<u>2,055,760</u>	<u>2,098,804</u>
Shareholders funds		<u><u>2,075,760</u></u>	<u><u>2,118,804</u></u>

These financial statements were approved by the board of directors and authorised for issue on 21/12/2023, and are signed on behalf of the board by:

J E Conboye
Director

Company registration number 01204468

The notes on pages 14 to 23 form part of these financial statements.

Josef Gartner & Co. U.K. Limited

Statement of Changes in Equity

Year ended 31 March 2023

	Called up share capital £	Profit and loss account £	Total £
At 1 April 2021	20,000	1,723,623	1,743,623
Total comprehensive income for the year		375,181	375,181
At 31 March 2022	20,000	2,098,804	2,118,804
Total comprehensive income for the year	—	(43,044)	(43,044)
At 31 March 2023	<u>20,000</u>	<u>2,055,760</u>	<u>2,075,760</u>

The notes on pages 14 to 23 form part of these financial statements.

Josef Gartner & Co. U.K. Limited

Notes to the Financial Statements

Year ended 31 March 2023

1. General information

Josef Gartner & Co. U.K. Ltd is a private company limited by shares incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the Company's registered office is given on page 1. The nature of the Company's operations and its principal activity are set out in the Strategic Report.

These financial statements are presented in pounds sterling (GBP) because that is the currency of the primary economic environment in which the Company operates.

The principal accounting policies adopted by the company are set out in note 3 below.

2. Statement of compliance

The Company meets the definition of a qualifying entity under Financial Reporting Standard 100 (FRS 100) issued by the Financial Reporting Council. These financial statements were prepared in accordance with FRS 101 Reduced Disclosure Framework as issued by the Financial Reporting Council. As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions.

- the requirement in paragraph 38 of IAS 1 "Presentation of Financial Statements" to present comparative information in respect of:
 - paragraph 79(a)(iv) of IAS 1
 - paragraph 73(e) of IAS 16 Property, Plant and Equipment;
 - paragraph 118(e) of IAS 38 Intangible Assets;
 - paragraph 76 and 79(d) of IAS 40 Investment Property;
- the requirements of paragraphs 10(d), 10(f), 16, 38A to 38D, 39 to 40, 111 and 134-136 of IAS 1 Presentation of Financial Statements;
- the requirement of IAS 7 Statement of Cash Flows;
- the requirement of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraph 17 of IAS 24 Related Party Disclosures;
- the requirements of IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is party to the transaction is wholly owned by such a member;
- the requirements of paragraphs 134(d) – 135 (c) – 135 (e) of IAS 36 Impairment of Assets;
- the requirements of IFRS 7 Financial Instruments: Disclosures;
- the requirements of IFRS 13 Fair Value Measurement;
- the requirements of paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers; and
- the requirements of paragraph 52 of IFRS 16 Leases.

Where required, equivalent disclosures are given in the group financial statements of Josef Gartner GmbH. The group financial statements of Josef Gartner GmbH are available to the public and can be obtained as set out in note 14.

Adoption of new and revised standards

There are no amendments to accounting standards for the year ended 31 March 2023 that have a material impact on the company's financial statements.

Josef Gartner & Co. U.K. Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies

Basis of preparation

The principal accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 March 2023. These policies have been applied consistently to all the years presented, unless otherwise stated.

Going concern

The Company continues to operate, its primary remaining activities being the physical completion of work and commercial finalisation on current contracts and the rectification of any latent defects in its works on completed projects for which it is found to be liable. The costs associated with any such liability are re-charged to sub-contractors and suppliers where appropriate and possible but some costs will remain with the Company. The extent of such residual costs will only become apparent during the period of run-off of the completed projects. However, the directors are not aware of any existing defects that the Company cannot rectify or of any existing liabilities that the Company cannot accommodate or pass on to others. Further, the directors are not aware of any pending issues that are likely to lead to significant liabilities arising. In view of this, the directors have adopted the going concern basis of accounting for the preparation of the financial statements.

In forming this opinion, the Directors intend to make the Company dormant in the future once the remaining live projects have been completed and they have fulfilled its on-going obligations on all existing contracts. To support the preparation of the financial statements on the going concern basis is appropriate for the year ended 31 March 2023 a letter of support from ACR III Construction Holdings B.V. has been obtained. This letter agrees to provide or procure adequate financial resources to allow the Company to meet its obligations as they fall due for a period of not less than 12 months from the date of signing the financial statements. Since 2011, when the Company stopped taking on new work and entered a period of making the business dormant, Permasteelisa S.p.A. has provided or procured such financial resources to the Company and the Directors are not aware of any circumstances that would prevent Permasteelisa S.p.A. from continuing to do so for the Company's obligations as they fall due for a period of not less than 12 months from the date of signing the financial statements.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. 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 have not been any critical accounting judgements and key sources of estimation uncertainty in the year.

Josef Gartner & Co. U.K. Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Revenue recognition

Revenue recognition is determined according to the requirements of IFRS 15 'Revenue from contracts with customers'. IFRS 15 prescribes a 5-step model to distinguish each distinct performance obligation within a contract with a customer and to recognise revenue on the level of those performance obligations, reflecting the consideration that the Company expects to be entitled to, in exchange for those goods or services.

For each performance obligation identified in the contract, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time.

Performance obligations satisfied over time

The Company's construction and service contracts are satisfied over time where the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs it; or
- The Company's performance creates or enhances an asset that the customer controls; and
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

The Company's construction contracts are typically satisfied over time as the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The Company's service contracts are satisfied over time where the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs it.

The Company recognises revenue over time by measuring the progress towards full satisfaction of that performance obligation. The objective when measuring progress is to depict the Company's performance in transferring control of goods or services promised to a customer (i.e. the satisfaction of the Company's performance obligation).

For service contracts and construction projects with a fixed cost base, progress is measured using an input method, i.e. cost incurred divided by total expected costs. Costs incurred which do not result in a transfer of control to the customer are excluded. Examples of costs where control is not transferred are costs of inefficiencies and set-up costs. For contracts that are based on unit-rates, progress is measured based on the number of units produced, i.e. an output method.

Performance obligations satisfied at a point in time

If the criteria for satisfying a performance obligation over time is not met, revenue is recognised at the point in time when control of the good or service transfers to the customer. Indicators that control has transferred include the Company having contractual rights to payment, legal title has transferred to the customer, the customer has possession of the asset, the customer has accepted the asset or the customer has the significant risks and rewards of ownership.

Variable consideration i.e. variations, claims and incentive payments are recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur once any uncertainty associated with the variable consideration is subsequently resolved. The Company considers both the likelihood and the magnitude of the potential revenue reversal.

Josef Gartner & Co. U.K. Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

The Company recognises an asset from the costs to fulfil a contract where, the costs relate to a contract or anticipated contract that the entity can specifically identify and the costs generate or enhance resources that will be used in satisfying performance obligations in the future and the costs are expected to be recovered. Assets recognised will be amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

Trade receivables to third parties

Trade receivables are recognised initially at fair value and subsequently recorded at the amortised cost, using the effective interest method, net of impairment losses related to amounts considered recoverable, recorded as provision. The estimation of the recoverable amounts is based on future expected cash flows.

Trade receivables, whose expiry date is within ordinary trade terms, are not discounted.

Contracts work-in-progress

Contracts work-in-progress are reported in accordance with the progress stage (or completion percentage) of the works, according to which the costs, revenues, and margin are recognised based on the progress of the productive activity. The policy adopted by the Company is the completion percentage determined by applying the "incurred cost" (cost to cost) criterion.

The contracts costs include all the costs that refer directly to the project, the costs that may be attributed to the contract activity in general and that may be allocated to the said project, in addition to any other costs that may be specifically charged to the customer based on the contractual clauses.

Should the completion of a project be forecast to lead to a loss, this shall be recognised in its entirety in the year in which it may be reasonably expected.

The contracts in progress are set out net of any depreciation fund and/or final losses, as well as the progress billings for the contract being carried out.

This analysis is carried out on a contract-by-contract basis: should the difference be positive (due to contracts in progress greater than the amounts of the progress billings), it is classified among the assets (contracts work-in-progress); on the other hand, should the difference be negative, it is classified among the liabilities (liabilities for contracts work-in-progress).

Should the final losses fund for the individual contract exceed the value of the work entered in the assets, this excess is classified under the provision for risks and charges.

Cash and cash equivalents

Cash and cash equivalents include bank and current accounts and deposits. Bank overdrafts, advances and other short-term loans which are repayable on demand and form an integral part of the Company's cash managements are considered as components of cash surplus or deficit for cash flow statement purposes.

Josef Gartner & Co. U.K. Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Provision for risks and charges

A provision is recognised in the balance sheet when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimation of the obligation amount can be done. This includes warranty provisions as it is recognized in the same manner.

Provisions are recorded on the basis of the best estimation of the amount that the Company would pay to settle the obligation or to transfer it to third parties at the reporting period.

If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

Financial instruments

A financial asset or a financial liability is recognised only when the company becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Where investments in non-convertible preference shares and non-puttable ordinary shares or preference shares are publicly traded or their fair value can otherwise be measured reliably, the investment is subsequently measured at fair value with changes in fair value recognised in profit or loss. All other such investments are subsequently measured at cost less impairment.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Trade payables to third parties

Trade payables are recorded at the amortised cost, using the effective interest method. Trade payables, whose expiry dates are within the ordinary trade terms, are not discounted.

Josef Gartner & Co. U.K. Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

3. Accounting policies *(continued)*

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

This is justified by the fact that the Company is able to manage the time plan for the distribution of the reserves and it is quite possible that they will not be distributed in the foreseeable future.

4. Operating loss for the financial year

	2023	2022
	£	£
Auditors' remuneration	<u>7,000</u>	<u>7,850</u>

5. Employees and Directors

The Company has no employees and therefore has incurred no employment or pension costs for the period and the preceding year. The Directors received £nil remuneration for their services to the Company during the year (2022 £nil).

6. Other operating income

	2023	2022
	£	£
Other operating income	<u>256,631</u>	<u>435,112</u>

7. Other interest receivable and similar income

	2023	2022
	£	£
Interest from group undertakings	<u>78,786</u>	<u>4,678</u>

Josef Gartner & Co. U.K. Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

8. Tax on (loss)/profit

Major components of tax expense

	2023 £	2022 £
Current tax:		
UK current tax expense	-	-
Tax on (loss)/profit	<u>-</u>	<u>-</u>

Reconciliation of tax expense

The tax assessed on the (loss)/profit on ordinary activities for the year is higher than (2022: lower than) the standard rate of corporation tax in the UK of 19% (2022: 19%).

	2023 £	2022 £
(Loss)/profit on ordinary activities before taxation	<u>(43,044)</u>	<u>(375,181)</u>
(Loss)/profit on ordinary activities by rate of tax	<u>(8,178)</u>	<u>(71,284)</u>
Unused tax losses	<u>8,178</u>	<u>71,284</u>
Tax on (loss)/profit	<u>-</u>	<u>-</u>

9. Construction contracts

The Company has recognised the following revenues related (contract) assets and liabilities:

	2023 £	2022 £
Contract assets	<u>69,386</u>	<u>69,386</u>
Contract liabilities	<u>(205,590)</u>	<u>(196,723)</u>

The contract assets primarily relate to the Company's rights to consideration for work completed but not certified at the reporting date.

The Company receives payments from customers in line with a series of performance related milestones and will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer.

The contract liabilities primarily arise where payment received exceeds revenue recognised or due to date under the applicable revenue recognition policy.

Contract liabilities reflect anticipated further expenditure within the total Cost projected for specific existing projects. Any such expenditure incurred would be in relation to fulfilling outstanding contractual obligations for those projects but would exclude any costs of post-completion works (for which there is a separate specific warranty provision). The possibility of outstanding contractual obligations under an existing project arises due to one or more of the following:

- The final account with the project client has not yet been agreed and /or signed;
- The final account with one or more sub-contractors has not yet been agreed and/or signed;
- Not all defects reported during the contractual defects liability period have yet been completed and/or signed off;

Josef Gartner & Co. U.K. Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

9. Construction contracts *(continued)*

- Until the project is closed out, there remains the possibility of incurring further costs not specifically identified and/or quantified at this stage;
- There are amounts currently reported as "Other Receivables" that if not recovered, would be chargeable to one or more specific projects
- There are outstanding insurance or other claims awaiting resolution;
- Costs may be incurred in resolving a dispute that arises in connection with one or more of the above and/or with recovering any outstanding payments due under the contract

The amount of total contract liabilities reported has not changed significantly for several years. This represents a prudent approach whilst efforts are made to close-out all remaining contractual obligations and receive appropriate confirmation of the same.

Contract assets reflect anticipated further revenue within the Total Revenue projected for specific existing projects. Any such revenue received would be in relation to existing contractual entitlements for those projects but would exclude any payment received for post-completion works.

The amount of total contract assets reported has not changed significantly for several years. This represents a balanced approach, whilst efforts are made to receive all outstanding payments, taking account of the prudent approach adopted for contract liabilities, which in total far exceed contract assets.

	2023
Contract assets	
Balance at the beginning of the year	69,386
Transfers from contract assets recognised at the beginning of the year to receivables	-
Increase related to services provided in the year	-
Balance at the end of the year	<u>69,386</u>
Contract liabilities	
Balance at the beginning of the year	(196,723)
Revenue recognised against contract liabilities at the beginning of the year	196,723)
Increase due to cash received, excluding amounts recognised as revenue during the year	(205,590)
Balance at the end of the year	<u>(205,590)</u>

10. Trade and other receivables

	2023	2022
	£	£
Amount owed by group undertakings	2,888,355	3,068,408
Other debtors	62,337	69,386
	<u>2,950,692</u>	<u>3,137,794</u>

Intercompany loans included in amounts owed by group undertakings are repayable on demand and bear interest at 0.5% over 3 months LIBOR. No security has been taken on these loans.

Josef Gartner & Co. U.K. Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

11. Creditors: amounts falling due within one year

	2023	2022
	£	£
Amounts owed to group undertakings	32,926	131,567
Amounts owed to customers on construction contracts	205,590	196,723
Other creditors	34,069	34,277
	<u>272,585</u>	<u>362,567</u>

12. Provisions

	Warranties
	£
At 1 April 2022	656,423
Charged to profit and loss account	50,000
Utilisation	(104,076)
At 31 March 2023	<u>602,347</u>

The warranty provision may be utilised at any time over the next twelve years although the timing and extent of utilisation is uncertain. No reimbursement of any of the provision is expected nor has any asset in respect of such reimbursement been recognised in these financial statements.

Warranty provisions related to provisions in respect of losses to be incurred on long-term contracts. The provisions are expected to be utilised between 2023 and 2026.

13. Called up share capital

Authorised

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>

Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>	<u>20,000</u>

The Company has one class of ordinary shares which carry no rights to fixed income.

14. Ultimate parent company

The immediate parent undertaking is Josef Gartner GmbH, with registered office at Gartnerstrasse 20, D-89423 Gundelfingen, Germany. The ultimate parent undertaking and controlling party is ACR III Construction Holdings B.V., incorporated in Netherlands.

ACR III Construction Holdings B.V. is the parent undertaking of the largest group of undertakings to consolidate these financial statements at 31 March 2023. Copies of their Annual Report and Financial Statements can be obtained from its registered address: Prof J. H. Bavincklaan, 2, 1183AT Amstelveen, Netherlands.

Josef Gartner & Co. U.K. Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2023

14. Ultimate parent company (continued)

Josef Gartner GmbH is the parent undertaking of the smallest group of undertakings to consolidate these financial statements at 31 March 2023. Copies of their Annual Report and Financial Statements can be obtained from: Josef Gartner GmbH at the above registered office.