

Company registration number 01668906 (England and Wales)

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
COMPANY INFORMATION

Directors	AT Dyer AS Charpiot (Appointed 27 July 2022)
Secretary	AT Dyer
Company number	01668906
Registered office	Trans Tech House Gelders Hall Road Shepshed Loughborough Leicestershire LE12 9NH
Auditor	UHY Hacker Young 14 Park Row Nottingham NG1 6GR
Bankers	Barclays Bank Leicester Leicestershire LE87 2BB
Solicitors	Halborns Limited 16 Clarendon Street Nottingham NG1 5HQ

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
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**SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present the strategic report for the year ended 31 December 2022.

On 8 November 2022, the company changed its name from Industrial Machine Supplies Limited to SAF Holland UK Ltd.

Business review

The company has 2 main product divisions, The sale of complete axles and the after market spare sales.

Having shown a significant increase in turnover in 2022 the directors of the business consider the financial performance of the business to be satisfactory both against the budget and prior year. The company is now a wholly owned subsidiary of SAF Holland GmbH.

The company is looking forward to aligning to the strategy of SAF Holland GmbH.

Investments have now being initiated by the company in the areas of finance, personnel service and a ten year lease has been signed for the company to stay in its premises. Significant investments in the premises are being undertaken.

The company had set moderately ambitious sales targets for 2023. The management are mindful of the general economic situation, and the shortage of certain component parts. The management are monitoring the general economic situation and possible negative effect that they might have upon the European supply chain.

The market in the UK is dominated by Drum Break products, this represents a risk to SAF UK as the SAF brands strength lies in Disk Breaks. The trailer building industry in the UK has begun to show more of an interest in the product which represents a major opportunity for SAF UK to see growth both in terms of volume and gross margin. This type of change is a major swing for UK operators and will likely take some time fully integrate into the wider market.

Principal risks and uncertainties

War in Europe

The continued conflict in Europe represents an increased risk to supply chain disruption and the procurement of raw material for the wider group. We are in constant communication with customers around extended lead time on products to mitigate the impact this could cause. We are also looking to further increase our stock holding to avoid disruptions in supply for our customers.

FX risk exposure

Due to most of our purchases now coming from our parent company all being processed in Euro we are now exposed to FX changes that we would normally have avoided due to being invoiced in GBP. We are working closely with group treasury and local banking to mitigate the risk and smooth FX exposure as much as possible.

SAF UK has normal levels of exposure to price, credit and liquidity arising from trading activities. The nature of our relationship with SAF GmbH means with have a reduced exposure to cash flow risk as the lead time on our requirements to pay for products from them is greatly extended. SAF UK also has increased risk from foreign currency fluctuations as products are purchased from group companies in Euro and majority of SAF UK sales are made in GBP. The company does not enter into any formally designated hedging arrangements.

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Other information

On 29 March 2022 the company was purchased by SAF Holland GmbH for £2,255,000. The directors do not believe this has had a significant impact on the performance of the company in 2022.

On behalf of the board

AT Dyer
Director

27 September 2023

**SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their annual report and financial statements for the year ended 31 December 2022.

Results and dividends

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

AT Dyer

J Boer

AS Charpiot

(Resigned 1 April 2022)

(Appointed 27 July 2022)

Auditor

In accordance with the company's articles, a resolution proposing that UHY Hacker Young be reappointed as auditor of the group will be put at a General Meeting.

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Statement of disclosure to auditor

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

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Medium-sized companies exemption

This report has been prepared in accordance with the provisions applicable to companies entitled to the medium-sized companies exemption.

On behalf of the board

AT Dyer

Director

27 September 2023

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF SAF HOLLAND UK LTD**

Opinion

We have audited the financial statements of SAF Holland UK Ltd (the 'company') for the year ended 31 December 2022 which comprise the statement of income and retained earnings, the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2022 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.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF SAF HOLLAND UK LTD

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 contained within the annual report. 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 our 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SAF HOLLAND UK LTD

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.

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.

Based on our understanding of the company and the industry in which it operates, we noted that the company was subject to laws and regulations including the Health and Safety at Work Act, the General Data Protection Regulation and employment and copyright law. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements, such as the Companies Act 2006.

Audit procedures performed included:

- Enquiry of management regarding any instances of actual or potential fraud during the year;
- Assessment of fraud prevention and detection procedures within the company;
- Reviewing minutes of meetings of those charged with governance;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Enquiry of management regarding actual and potential litigation and claims, or any potential breaches of laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Auditing the appropriateness of provisions.

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

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

INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF SAF HOLLAND UK LTD

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.

Andrew Timms (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young

27 September 2023

Chartered Accountants
Statutory Auditor

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2022

		2022	2021
	Notes	£'000	£'000
Turnover	3	20,447	17,623
Cost of sales		(17,880)	(14,760)
Gross profit		<u>2,567</u>	<u>2,863</u>
Distribution costs		(537)	(444)
Administrative expenses		(1,760)	(1,398)
Operating profit	4	<u>270</u>	<u>1,021</u>
Interest payable and similar expenses	8	(95)	(117)
Profit before taxation		<u>175</u>	<u>904</u>
Tax on profit	9	(105)	(79)
Profit for the financial year		<u>70</u>	<u>825</u>
Retained earnings brought forward		<u>1,410</u>	<u>585</u>
Retained earnings carried forward		<u><u>1,480</u></u>	<u><u>1,410</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
BALANCE SHEET
AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		37		5
Current assets					
Stocks	11	2,885		3,255	
Debtors	12	5,211		5,600	
Cash at bank and in hand		3,141		57	
		<u>11,237</u>		<u>8,912</u>	
Creditors: amounts falling due within one year	13	<u>(9,777)</u>		<u>(7,490)</u>	
Net current assets			1,460		1,422
Total assets less current liabilities			1,497		1,427
Provisions for liabilities					
Provisions	15	<u>7</u>	(7)	<u>7</u>	(7)
Net assets			<u>1,490</u>		<u>1,420</u>
Capital and reserves					
Called up share capital	18		10		10
Profit and loss reserves			1,480		1,410
Total equity			<u>1,490</u>		<u>1,420</u>

These financial statements have been prepared in accordance with the provisions relating to medium-sized companies.

The financial statements were approved by the board of directors and authorised for issue on 27 September 2023 and are signed on its behalf by:

AT Dyer
Director

Company registration number 01668906 (England and Wales)

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

SAF Holland UK Ltd is a private company limited by shares incorporated in England and Wales. The registered office is Trans Tech House Gelders Hall Road, Shepshed, Loughborough, Leicestershire, LE12 9NH.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

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

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

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments'; and
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of SAF Holland GmbH. These consolidated financial statements are available from its registered office, Hauptstraße 26 D-63856 Bessenbach Germany.

1.2 Going concern

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

1.3 Turnover

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

1.4 Tangible fixed assets

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

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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

Plant and equipment	10%-25% Straightline
Fixtures and fittings	20%-33% Reducing balance
Computers	20%-50% Reducing balance

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

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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

1.7 Financial instruments

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

Financial instruments are recognised in the company's 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 debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost. Financial assets classified as receivable within one year are not amortised.

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies are initially recognised at transaction price. Financial liabilities classified as payable within one year are not amortised.

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

1.8 Equity instruments

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

1.9 Taxation

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

Current tax

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

Deferred tax

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

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

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.10 Employee benefits

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

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

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

1.11 Retirement benefits

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

1.12 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

1.13 Foreign exchange

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

1.14 Warranty provisions

Provision for post sale warranty repair costs are accrued for general warranty claims. These are based on the directors assessment of an estimated amount that will be claimed post year end.

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

2 Judgements and key sources of estimation uncertainty

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

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

There are no estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities.

Critical judgements

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

Bad Debt Provision

The company has a policy where by debtors older than 6 months old are 50% provided for and those older than 12 months are fully provided against.

Stock Provision

Appropriate provisions are made for slow moving and obsolete stock where the stock line includes purchases over 2 years old.

3 Turnover and other revenue

	2022	2021
	£'000	£'000
Turnover analysed by geographical market		
United Kingdom	19,466	10,445
Rest of Europe	917	7,170
Rest of the World	64	8
	<u>20,447</u>	<u>17,623</u>
	<u><u>20,447</u></u>	<u><u>17,623</u></u>

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

4 Operating profit

	2022	2021
	£'000	£'000
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	31	(37)
Fees payable to the company's auditor for the audit of the company's financial statements	30	23
Depreciation of owned tangible fixed assets	4	11
Operating lease charges	195	148
	=====	=====

5 Auditor's remuneration

	2022	2021
	£'000	£'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	30	23
	=====	=====

6 Employees

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

	2022	2021
	Number	Number
Non-Directors	18	17
Directors	2	2
	=====	=====
Total	20	19
	=====	=====

Their aggregate remuneration comprised:

	2022	2021
	£'000	£'000
Wages and salaries	1,009	779
Pension costs	44	33
	=====	=====
	1,053	812
	=====	=====

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

7 Directors' remuneration

	2022	2021
	£'000	£'000
Remuneration for qualifying services	372	160
Company pension contributions to defined contribution schemes	15	15
	<u>387</u>	<u>175</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2021 - 1).

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

	2022	2021
	£'000	£'000
Remuneration for qualifying services	366	-
Company pension contributions to defined contribution schemes	15	-
	<u>381</u>	<u>-</u>

Total directors' remuneration was less than £200,000 in the prior year, so no disclosure is required.

8 Interest payable and similar expenses

	2022	2021
	£'000	£'000
Other interest	95	117
	<u>95</u>	<u>117</u>

9 Taxation

	2022	2021
	£'000	£'000
Current tax		
Adjustments in respect of prior periods	23	-
	<u>23</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	82	79
	<u>82</u>	<u>79</u>
Total tax charge	<u>105</u>	<u>79</u>

SAF HOLLAND UK LTD
FORMERLY INDUSTRIAL MACHINERY SUPPLIES LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

9 Taxation

(Continued)

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

	2022	2021
	£'000	£'000
Profit before taxation	175	904
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	33	172
Tax effect of expenses that are not deductible in determining taxable profit	5	2
Effect of change in corporation tax rate	20	(95)
Permanent capital allowances in excess of depreciation	(2)	-
Under/(over) provided in prior years	23	-
Other	26	-
	<u> </u>	<u> </u>
Taxation charge for the year	105	79
	<u> </u>	<u> </u>

At the year end the company had losses of £1,080,000 (2021 - £1,290,000) to carry forward.

10 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Computers	Total
	£'000	£'000	£'000	£'000
Cost				
At 1 January 2022	73	169	165	407
Additions	2	3	31	36
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2022	75	172	196	443
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment				
At 1 January 2022	69	168	165	402
Depreciation charged in the year	3	1	-	4
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2022	72	169	165	406
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount				
At 31 December 2022	3	3	31	37
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2021	4	1	-	5
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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11 Stocks

	2022	2021
	£'000	£'000
Finished goods and goods for resale	2,885	3,255

Included within finished goods is a stock provision of £75,000 (2021 - £75,000).

12 Debtors

	2022	2021
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	4,675	4,637
Corporation tax recoverable	-	225
Amounts owed by group undertakings	-	124
Other debtors	1	-
Prepayments and accrued income	222	219
	<u>4,898</u>	<u>5,205</u>
Deferred tax asset (note 16)	313	395
	<u>5,211</u>	<u>5,600</u>

Trade debtors includes a provision for doubtful debts of £130,000 (2021 - £69,000).

13 Creditors: amounts falling due within one year

	Notes	2022	2021
		£'000	£'000
Bank loans and overdrafts	14	-	5,577
Trade creditors		153	1,066
Amounts owed to group undertakings		7,717	210
Taxation and social security		498	139
Other creditors		245	214
Accruals and deferred income		1,164	284
		<u>9,777</u>	<u>7,490</u>

As detailed in Note 18, the Company was acquired by SAF Holland GmbH during the year. As a result the £7,717,000 (2021 - £683,000) due to SAF Holland GmbH is showing as amounts owed to group undertakings in the current year, as opposed to trade creditors in the prior year.

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14 Loans and overdrafts

	2022	2021
	£'000	£'000
Bank overdrafts	-	5,577
	<u> </u>	<u> </u>
Payable within one year	-	5,577
	<u> </u>	<u> </u>

The bank overdraft relates to the inter-company cash pooling it is repayable on demand and had interest of 2.10%.

15 Provisions for liabilities

	2022	2021
	£'000	£'000
Warranty provision	7	7
	<u> </u>	<u> </u>

Movements on provisions:

	Warranty provision £'000
At 1 January 2022 and 31 December 2022	7
	<u> </u>

16 Deferred taxation

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

	Assets	Assets
	2022	2021
	£'000	£'000
Balances:		
Accelerated capital allowances	(8)	72
Tax losses	270	323
Short term differences	51	-
	<u> </u>	<u> </u>
	313	395
	<u> </u>	<u> </u>

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16	Deferred taxation	(Continued)
		2022
	Movements in the year:	£'000
	Asset at 1 January 2022	(395)
	Charge to profit or loss	82
	Asset at 31 December 2022	<u>(313)</u>

The deferred tax asset set out above is expected to reverse within 12 months and relates to the utilisation of tax losses against future expected profits of the same period.

17	Retirement benefit schemes	2022	2021
		£'000	£'000
	Defined contribution schemes		
	Charge to profit or loss in respect of defined contribution schemes	<u>44</u>	<u>33</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date there were unpaid pension scheme contributions of £Nil (2021 - £12,000).

18	Share capital	2022	2021	2022	2021
		Number	Number	£'000	£'000
	Ordinary share capital				
	Issued and fully paid				
	Ordinary Shares of £1 each	<u>10,000</u>	<u>10,000</u>	<u>10</u>	<u>10</u>

On 1 April 2022 100% of the shareholding of the company was acquired by SAF Holland GmbH for £2,225,000.

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19 Operating lease commitments

Lessee

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

	2022	2021
	£'000	£'000
Within one year	202	125
Between two and five years	624	26
	<u>826</u>	<u>151</u>
	<u><u>826</u></u>	<u><u>151</u></u>

20 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2022	2021
	£'000	£'000
Acquisition of tangible fixed assets	125	-
	<u>125</u>	<u>-</u>
	<u><u>125</u></u>	<u><u>-</u></u>

21 Related party transactions

The Company has taken advantage of the exemption not to disclose transactions or balances with wholly owned entities which form part of the Group headed by SAF Holland GmbH under FRS 102 paragraph 33.1A.

22 Ultimate controlling party

The ultimate parent company and ultimate controlling party of the company is SAF Holland GmbH an entity registered in Germany, through the holding of 100% of the issued shares in the company. SAF Holland GmbH, is the head of both the smallest and largest groups in which these financial statements are consolidated.

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