

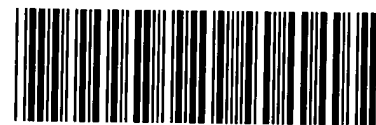
Registered number: 03298374

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

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VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

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VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

COMPANY INFORMATION

Director M Christman

Company secretary G J Bacon

Registered number 03298374

Registered office 6050 Knights Court
Solihull Parkway
Birmingham Business Park
Birmingham
B37 7WY

Independent auditors PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
One Chamberlain Square
Birmingham
B3 3AX

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 MARCH 2020

The director presents the Strategic Report of Vanderlande Industries United Kingdom Limited (the "Company") for the year ended 31 March 2020.

Business review

It has been another good year for Vanderlande with new orders won exceeding GBP 162M in the year. This is well above the previous years new orders of GBP 111M with large projects and site based service once again performing strongly. Vanderlande's prospect list and market environments remain very positive.

Turnover in the year was in excess of GBP 102M, a 17% increase on the previous financial year. This is due to increased large project and site based service contracts in both the Airports and Warehousing sectors. Gross profit is in line with the previous year.

Average Employee numbers continue to increase each year due to our continued success in winning site based service contracts in both the Airports and Warehousing sectors.

The Company has been awarded a major contract for the operation and maintenance of the baggage handling systems across the Heathrow Airport campus, this contract commenced on 1 September 2020 and will run for 10 years. This contract will significantly increase orders, revenues and headcount in the following financial year.

Principal risks and uncertainties

Securing revenues and competition

The retention of current customers and the ability to secure new contracts is a cornerstone of the success of the business. The Companies philosophy is to invest in long term relationships which are reflected in the success of our top customers. In addition by maintaining focus on costs, efficiency and continuous improvement we offer solutions tailored to our customers' needs that enable the Company to stay ahead of the competition.

The United Kingdom's vote to leave the European Union (BREXIT)

The UK left the EU on 31st January 2020 and entered the 11 month transition period. The Company has considered the potential impact and possible risks to the ongoing business. The main conclusions are that the commercial risks are limited with upside potential due to the possibility of an increase in the business case for automation and a short term downside if GDP growth slows.

We do not anticipate any material affect on our supply chain. Our major competitors have a similar supply chain structure so our competitive position is unlikely to change. Foreign currency exchange risk will continue to be mitigated by our continued use of both natural hedges and forward contracts when appropriate.

Covid-19

The Global pandemic caused by the COVID-19 virus has had a significant impact on the Company's trading performance in the following financial year. The Airports division has been negatively impacted by the greatly reduced passenger numbers, this has resulted in projects being delayed and terminals closed.

The Warehouse and parcels division has been positively impacted by the significant increase in online shopping which has resulted in additional projects being won and a strong pipeline going forward. Our top priority throughout the pandemic has been the health and wellbeing of our employees, whether they are working from home or on our customers sites we have taken responsible measures to ensure they can continue to work as safely as possible.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Financial key performance indicators

	31 March 2020	31 March 2019
Sales per employee (£)	197,240	184,081
Gross profit margin (%)	21.5%	30.2%
Gross profit per employee (£)	42,434	55,683
Return on capital employed (ROCE) (%)	62%	108%

Sales per employee = Turnover divided by the average number of employees

Gross profit margin = Gross profit as a percentage of turnover

Gross profit per employee = Gross profit divided by the average number of employees

ROCE = Operating profit as a percentage of net assets

Corporate governance statement

We are pleased to introduce our Corporate Governance Statement, which explains how the Vanderlande Industries United Kingdom Limited ("Vanderlande UK") governance framework supports our principles of integrity, strong ethical values and professionalism integral to our business. Both Managing Directors recognise that we are accountable for good corporate governance, and this report, together with all other reports, Nomination and Remuneration Committees, seeks to demonstrate our commitment to high standards of governance that are recognised and understood by all.

Leadership, good governance and purpose depends on good and effective leadership and a healthy corporate culture, supported by robust systems and processes and a good understanding of risk and risk appetite. We aim to stay abreast of developments in good governance and practice and have well-developed plans to ensure that we will meet the standards of the UK Corporate Governance Code. This includes making sure our purpose, vision and values are clearly articulated, and that we have in place effective channels of engagement with our workforce, shareholders and stakeholders. The Board is involved in setting measurable objectives to promote a healthy corporate culture that is aligned with our strategy and delivers on our commitment to Vanderlande UK and the principles of sustainability and trust that are the hallmark of our business. The reports of our Board Committees show how our policies and processes have been applied and developed during the year in a way that remains consistent with our values and strategy, focusing on engagement, operational improvement, reward and incentive structures, ensuring progress can be measured and monitored appropriately and promoting a business that is resilient, responsible and alive to opportunity.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Section 172 statement

Section 172 of the Companies Act 2006 requires the director of a company to act in the way he or she considers, in good faith, would most likely promote the success of the Company for the benefit of its members. In doing this, section 172 requires a director to have regard, amongst other matters, to the following:

- likely consequences of any decisions in the long-term;
- interests of the Company's employees;
- need to foster the Company's business relationships with suppliers, customers and others;
- impact of the Company's operations on the community and environment;
- desirability of the Company maintaining a reputation for high standards of business conduct; and
- need to act fairly as between members of the Company.

Vanderlande UK consists of 2 distinctive divisions based on our global corporate structure. Namely these are 'Airports' and 'Warehouse & Parcels', run independently by 2 respective Managing Directors (MD). Each MD operates a Senior Leadership Team to discharge our responsibilities to promote the success of the Company in accordance with section 172 of the 2006 Companies Act.

Vanderlande UK acknowledges that every decision we make will not necessarily result in a positive outcome for all its stakeholders. By considering the Company's purpose, vision and values together with its strategic priorities and having a process in place for decision-making, the Company does, however, aim to make sure that its decisions are consistent, transparent and predictable; in a way that discharges our Section 172 responsibilities.

As is normal for large international groups of companies, our Group Headquarters in Veghel, The Netherlands, delegates authority for local strategy and day-to-day management of the Company to local executives (Managing Directors noted above) to engage management in setting, approving and overseeing the execution of the business strategy and related policies. A Board meeting is convened for all requirements such as pensions, insurances, employee health cover and employee benefits etc. The Board consists of both MD's, Head of HR, Head of Finance and our Company Secretary. The Company also reviews other areas over the course of the financial year including the Company's financial and operational performance; stakeholder-related matters; diversity and inclusivity; and corporate responsibility matters. This is done through the consideration and discussion of reports which are sent in advance of each Leadership meeting.

The Company reviews risk and compliance, legal, and health and safety matters at every Leadership meeting. Vanderlande UK maintains a Legal Register which is reviewed by the Board annually, or when there is a significant change. The Legal register is also subject to external auditing to ensure compliance and provide additional governance. Our Risk and Opportunities register provides a holistic view of all aspects and impacts affecting our business, and subsequent mitigation and actions. This is also reviewed annually by the Leadership Teams.

Each year the Divisions of Airports and Warehouse & Parcels review the Global Corporate Strategy and align the UK businesses strategies which defines the next fiscal year and is the start of our rolling 5-year strategic plan. This is done by in depth workshops of the respective leadership teams to address the purpose and strategy for the Divisions, input from the 'functional' and 'support service' departments, previous years' experience and records plus targets from the Long-Term Plans (5 years). Where UK synergies between Airports and Warehouse & Parcels are required, or make sound business decisions, the leadership join together to agree strategies, processes & goals. The resulting UK strategic plans are shared amongst all our employees, and group, departmental and individual targets and objectives are then set for the following fiscal year.

Going forward it is recognised that further attention and detail is placed upon the Board meeting structure formality; It is planned to meet quarterly.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Stakeholder engagement statement

Within Vanderlande UK, we conduct a thorough Stakeholders analysis, which identifies both internal and external stakeholders as well as an in depth needs analysis. This allows us to ensure that business decisions meet these needs and guide our overall strategy. Globally, Vanderlande operates a Net Promoter Score (NPS) process, which the UK business is fully engaged with. This allows us to learn from our customers' experiences with Vanderlande and define improvement projects to strengthen our customer relationship. Through this we can formally understand the feelings and perceptions of our performance; if we have a detractor, we make contact within 48hrs to understand the details, so we can work together to make joint improvements. This process covers our entire organisation and looks at the logistics solution, our sales phase, project and service execution, innovative solutions, cooperation, knowledge, response and general persona. The results are discussed, reviewed and provide an input to the UK annual strategy planning.

An internal process is applied across our standard operating methods, which makes our 'how we do business' as successful as it is. The scheme is called ACE (Achieving Customer Excellence), which provides the values, vision and feedback that creates a 'great place to work'.

Employee engagement statement

"In a world of technology, a belief in people" are words which are at the heart of Vanderlande's ethos, and none more so than the employees without which Vanderlande would not succeed. The Vanderlande Core Values are the basis in which strategic decisions are made, and effective employee engagement is key to this.

The vision for our employee experience is to create a work environment that helps our employees succeed, by translating our employee feedback into timely, effective action. Feedback is at the heart of learning and growth, and we use a globally adopted process to undertake full Employee Experience Surveys annually, with a pulse survey at mid-year; this creates a platform to engage in direct conversations with our People. We draw on the principles of design thinking to create a unique, intuitive user experience that accelerates adoption and action.

- All Vanderlande employees will be asked for feedback on key moments in their career at Vanderlande.
- We then connect this feedback to gain deeper understanding of the key drivers of engagement at organisation and team level.
- Ultimately making feedback conversations a habit to help managers and teams use data for continuous improvement.

We are pleased to report that our full survey in 2019, resulted in an exceptional response rate, above benchmark positive scores, with an overall satisfaction index of circa 83% for the UK.

Effective Stakeholder and Employees Engagement is key to the success of our business and is reflected within the Vanderlande Core Values. It is a key component within the certifications Vanderlande UK holds such as ISO 45001, ISO 9001 & ISO 50001. We are required to demonstrate this in order to maintain these certifications, and additional governance is provided through external auditing by Accredited Bodies to ensure compliance with the requirements of these Global standards.

Summary

We take our corporate responsibilities sincerely and believe that we treat our stakeholders in a way that we would expect to be treated ourselves. Business decisions are made to balance the needs and requirements of our internal and external stakeholders, including our supply chain, customers, employees and investors. As we closed out this financial year, we were just beginning our Working From Home strategy that was required for the initial Covid-19 national lockdown, the early stages of this approach were very demanding however our customers and employees were engaged, strongly communicated with and appreciative of our strong approach and desire to continue to support all stakeholders during a difficult period.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR)

Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR) covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions.

Current reporting year (Apr'19 – Mar'20)

Total energy use covering electricity, gas, other fuels and transport	1,829,909	kWh
Total emissions generated through combustion of gas	0.00	tCO ₂ e
Total emissions generated through use of purchased electricity	180.85	tCO ₂ e
Total emissions generated through use of other fuels	0.00	tCO ₂ e
Total emissions generated through business travel	247.09	tCO ₂ e
Total gross emissions	427.94	tCO ₂ e
Intensity ratio (total gross emissions)	10.27	kgCO ₂ e per sqft

Environmental vision

To respect the natural capacity of our planet, we have gone on board with Toyota Industries Corporation's Environmental Vision 2050, where we aim to contribute to a low-carbon society through becoming a 'zero carbon company' and minimising the carbon emissions of our solutions. Our ambition is also to make an efficient use of resources by striving to eliminate waste, both within our global processes and our projects at customer sites. To support this, the Company has been improving its environmental and energy performance through management systems certified by well-known international standards such as ISO 14001 and ISO 50001.

Externally, we collaborate closely with our customers, like-minded front-runners, and other stakeholders to drive towards a low-carbon economy and the optimal use of our systems and products. We expect that our suppliers will ensure that manufacturing processes are environmentally responsible. These expectations are translated into our Code of Conduct.

Energy efficiency actions

We are committed to responsible energy management and will practice energy efficiency throughout our organisation, wherever it's cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions.

We have implemented the policies below for the purpose of increasing the businesses energy efficiency in the relevant financial year.

- Encouraged home working for all staff where appropriate.
- Increased use of video conferencing for training and teaching.
- Installed electric car charging points in London and Birmingham offices.
- Encouraging employees to use the free bus service to go to meetings @ Heathrow.
- Salary sacrifice cycle to work scheme introduced.
- Salary sacrifice car scheme introduced to encourage employees to purchase electric or hybrid vehicles.

Methodology used in the calculation of disclosures

ESOS methodology (as specified in Complying with the Energy Savings Opportunity Scheme version 6, published by the Environment Agency 28/10/2019) used in conjunction with Government GHG reporting conversion factors.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2020**

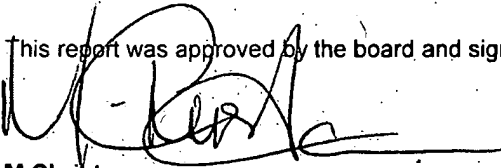
Sustainability

Innovative and fast-growing companies such as Vanderlande must strive harder than ever to reduce CO2 emissions, respect the natural capacity of our planet, and create fair and safe environments for all people.

Sustainability is therefore an integral part of Vanderlande's corporate strategy as it provides a strong basis for doing good business with its customers. In support of this vision, Vanderlande is also committed to the triple bottom line of people, planet and profit.

For more information, and for our latest sustainability report, please see: <https://www.vanderlande.com/about-vanderlande/sustainability/>

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

A handwritten signature in black ink, appearing to read 'M Christman', is written over a horizontal line.

M Christman
Director

Date: 8 March 2021

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 MARCH 2020

The director presents his annual report and the audited financial statements of Vanderlande Industries United Kingdom Limited (the "Company") for the year ended 31 March 2020.

Principal activities

The principal activities of the Company is the design, supply, installation and servicing of integrated material handling systems manufactured by the parent company and third parties for distribution centres, e-commerce, parcel handling, and baggage handling systems at airports.

Results and dividends

The profit for the year, amounted to £2,082,000 (2019: £1,761,000).

The Company has not paid any dividends in the financial year ended 31 March 2020 (2019: £5.33 per share totalling £1,333,000).

Director

The directors who served during the year and up to the date of signing the financial statement, unless otherwise stated were:

H Molenaar (resigned 8 February 2021)
M Christman (appointed 8 February 2021)

Qualifying third party indemnity provisions

The Company maintained throughout the year, and at the date of approval of the financial statements, liability insurance for its directors and officers. This is a qualifying provision for the purposes of the Companies Act 2006.

Future developments

The business has a stable customer base with good growth opportunities from projects and maintenance contracts. During the next two years growth will be driven by the general UK economic climate and the inclination of Industry to invest.

Going concern

In addition to the cashflows generated by the Company, the Company has the support from its immediate parent company, if required. After making enquiries and taking account of the factors noted above, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the annual report and financial statements.

The Global pandemic caused by the COVID-19 virus has had a significant impact on the Companies trading performance in the following financial year. The Airports division has been negatively impacted by the greatly reduced passenger numbers, this has resulted in projects being delayed and terminals closed. The Warehouse and parcels division has been positively impacted by the significant increase in online shopping which has resulted in additional projects being won and a strong pipeline going forward. Overall, the orders won in the 11 months since year end totalling £585m, including the strategic partnership contract at Heathrow Airport, has taken the order book from £175m to £639m.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Financial risk management

The risks facing the Company are assessed on an ongoing basis. The director evaluates the likelihood and potential impact of each risk and ensure appropriate action is taken to mitigate them.

A number of key risks such as liquidity, foreign exchange exposure, credit management and health and safety are governed by policies set directly by Vanderlande Industries Holding BV and come under the control of their directors.

Liquidity risk

The Company's liquidity requirements for day to day operating expenses are expected to continue to be funded by cash provided by operations and under its revolving credit line with its parent company.

Exchange rate risk

The foreign exchange rate risk is high due to the high volumes, long term exposure and potential variations. Our policy is aimed at currency-neutral contracts (natural hedging), with residual exposure hedged by forward contracts.

Credit risk

The Company has policies and procedures that require appropriate credit checks on potential credit customers before contracts are entered into and where appropriate also perform credit checks on key suppliers.

Health and Safety risk

The Company has rigorous health and safety policies supported by regular site visits, training programmes and a process which is OHSAS18001 accredited.

The Company does not operate any branches outside the UK.

Major safety Incident

A major safety incident is likely to have a significant impact in terms of providing a safe working environment for our people, our reputation and our ability to win new business. The Company has rigorous health and safety policies and procedures which are supported by regular visits and training programmes. Incidents are investigated thoroughly and corrective action is implemented with urgency. Due to the importance of the risk the Company has invested in training in Health and Safety and has implemented a Health and Safety process which is OHSAS18001 accredited.

Employee Involvement

The Company places considerable value on the involvement of its employees and has continued to keep them informed on matters affecting them as employees and on the various factors affecting the performance of the Company.

Disabled employees

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment with the Company continues and that appropriate training is arranged. It is the policy of the Company that the training, career development and promotion of disabled persons should, as far as possible, be identical with that of other employees.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

Statement of director's responsibilities in respect of the financial statements

The director is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the director to prepare financial statements for each financial year. Under that law the director have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). Under company law the director must not approve the financial statements unless he is 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 the financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The director is 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.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006.

Director's confirmations

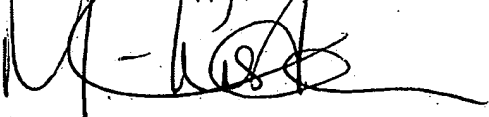
In the case of each director in office at the date the Director's Report is approved:

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

Independent auditors

Under section 487(2) of the Companies Act 2006, PricewaterhouseCoopers LLP will be deemed to have been reappointed as auditors 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the financial statements with the registrar, whichever is earlier.

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



M Christman
Director

Date: 8 March 2021

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

Report on the audit of the financial statements

Opinion

In our opinion, Vanderlande Industries United Kingdom Limited's financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2020; the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED (CONTINUED)

With respect to the Strategic Report and Director's Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Director's Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Director's Report for the year ended 31 March 2020 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Director's Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Statement of director's responsibilities in respect of the financial statements set out on page 10, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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 director is 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.

Auditors' 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 auditors' 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.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

This report, including the opinions, has been prepared for and only for the Company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED (CONTINUED)

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Matt Palmer

Matt Palmer (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
8 March 2021

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2020**

	Note	2020 £000	2019 £000
Turnover	4	102,762	87,807
Cost of sales		(80,654)	(61,246)
Gross profit		22,108	26,561
Administrative expenses		(19,588)	(24,384)
Operating profit	5	2,520	2,177
Interest receivable and similar income	9	51	20
Interest payable and similar expenses	10	(2)	(2)
Profit before taxation		2,569	2,195
Tax on profit	11	(487)	(434)
Profit for the financial year		2,082	1,761
Other comprehensive income for the financial year			
Cash flow hedges:			
- Change in value of hedging instrument		1,177	-
- Reclassifications to profit and loss		(46)	-
- Reclassified to deferred income		(1,123)	-
Other comprehensive income for the financial year		8	-
Total comprehensive income for the financial year		2,090	1,761

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED
REGISTERED NUMBER: 03298374

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £000	2019 £000
Fixed assets			
Tangible assets	13	906	1,005
Current assets			
Stocks	14	429	627
Debtors	15	58,350	14,549
Cash at bank and in hand	16	12,821	13,916
		<u>71,600</u>	<u>29,092</u>
Creditors: amounts falling due within one year	17	(67,738)	(27,526)
Net current assets		<u>3,862</u>	<u>1,566</u>
Total assets less current liabilities		<u>4,768</u>	<u>2,571</u>
Deferred tax	18	(103)	-
Provisions for liabilities	20	(564)	(560)
Net assets		<u>4,101</u>	<u>2,011</u>
Capital and reserves			
Called up share capital	21	250	250
Cash flow hedge reserve	22	8	-
Profit and loss account	22	3,843	1,761
Total shareholders' funds		<u>4,101</u>	<u>2,011</u>

The financial statements on pages 14 to 32 were approved and authorised for issue by the board and were signed on its behalf by:

The notes on pages 17 to 32 form part of these financial statements.


M Christman
Director

Date: 8 March 2021

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2020**

	Called up share capital £000	Cash flow hedge reserve £000	Profit and loss account £000	Total shareholders' funds £000
At 1 April 2018	250	-	1,333	1,583
Comprehensive income for the financial year				
Profit for the financial year	-	-	1,761	1,761
Total comprehensive income for the financial year	-	-	1,761	1,761
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(1,333)	(1,333)
Total transactions with owners	-	-	(1,333)	(1,333)
At 31 March 2019 and 1 April 2019	250	-	1,761	2,011
Comprehensive income for the financial year				
Profit for the financial year	-	-	2,082	2,082
Change in value of hedging instrument	-	1,177	-	1,177
Reclassifications to profit and loss	-	(46)	-	(46)
Reclassified to deferred income	-	(1,123)	-	(1,123)
Other comprehensive income for the financial year	-	8	-	8
Total comprehensive income for the financial year	-	8	2,082	2,090
At 31 March 2020	250	8	3,843	4,101

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

1. General information

Vanderlande Industries United Kingdom Limited (the "Company") is a private company limited by shares and is incorporated and domiciled in United Kingdom. The address of its registered office is 6050 Knights Court, Solihull Parkway, Birmingham Business Park, Birmingham, B37 7WY.

The principal activity of the Company is the design, supply, installation and servicing of integrated material handling systems manufactured by the parent company and third parties for distribution centres, e-commerce, parcel handling, and baggage handling systems at airports.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared on a going concern basis, under the historical cost convention 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).

Going concern

In addition to the cashflows generated by the Company, the Company has the support from its immediate parent company, if required. After making enquiries and taking account of the factors noted above, the director has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the Company continues to adopt the going concern basis in preparing the annual report and financial statements.

The Global pandemic caused by the COVID-19 virus has had a significant impact on the Companies trading performance in the following financial year. The Airports division has been negatively impacted by the greatly reduced passenger numbers, this has resulted in projects being delayed and terminals closed. The Warehouse and parcels division has been positively impacted by the significant increase in online shopping which has resulted in additional projects being won and a strong pipeline going forward. Overall, the orders won in the 11 months since year end totalling £585m, including the strategic partnership contract at Heathrow Airport, has taken the order book from £175m to £639m.

The following principal accounting policies have been applied consistently throughout the year:

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 Vanderlande Industries Holding BV (Netherlands) as at 31 March 2020 and these financial statements may be obtained from Vanderlandelaan 2, 5466 RB Veghel, Postbus 18, Netherlands.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.3 Turnover

Turnover comprises the value of work performed during the period on contracts, and the invoiced amount of the supply of miscellaneous goods and services, excluding value added tax. Turnover is recognised when the risks and rewards of ownership are transferred to the customer, which is on delivery of the goods or services provided. On long-term contracts, where the outcome of the contracts can be assessed with reasonable certainty before their conclusion, then the attributable profit is recognised in the profit and loss account by matching the costs of the work performed with the revenue generated. When it is probable that total contract costs will exceed total contract revenues, the total expected loss is recognised as an expense in the Statement of Comprehensive Income immediately.

2.4 Tangible assets

Tangible 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.

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

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:

Short-term leasehold property	- 10 - 15 years
Plant and machinery	- 1 - 10 years

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 the Statement of Comprehensive Income.

2.5 Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.6 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 first in, first out, 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.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.9 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

2. Accounting policies (continued)

2.10 Financial instruments (continued)

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

2.11 Hedge accounting

The Company applies hedge accounting in respect of forward foreign exchange contracts held to manage the cash flow exposures of forecast transactions denominated in foreign currencies.

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in equity. Any ineffectiveness in the hedging relationship (being the excess of the cumulative change in fair value of the hedging instrument since inception of the hedge over the cumulative change in the fair value of the hedged item since inception of the hedge) is recognised in the income statement.

The gain or loss recognised in other comprehensive income is reclassified to the income statement in accordance with the underlying transaction. Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

2.12 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.13 Interest payable and similar expenses

Finance costs are charged to the Statement of Comprehensive Income 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.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.14 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.

2.15 Pensions

The Company operates a stakeholder pension scheme for its employees. Contributions to the scheme are charged to the Statement of Comprehensive Income in the period to which they relate.

2.16 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.17 Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

2.18 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 the Statement of Comprehensive Income 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.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

2. Accounting policies (continued)

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

2.20 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.21 Long term contracts

Amounts recoverable on contracts, which are included in debtors, are stated at cost, plus attributable profit to the extent that this is reasonably certain after making provision for contingencies, less losses incurred or foreseen in bringing contracts to completion and less any amounts invoiced as progress payments. For any contracts where amounts invoiced exceed the value of work done, the excess is included as payments on account.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

3. Judgements in applying accounting policies and key sources of estimation uncertainty

a. Critical judgements in applying the Company's accounting policies

The Company has not applied any critical judgements in applying the accounting policies.

b. Key accounting estimates and assumptions

i. Forward Currency Contracts

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency payable.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, such instruments are stated at fair value at the Balance Sheet date, with movements going through the Statement of Comprehensive Income.

ii. Long term contracts

The Company determines the stage of completion of a contract using the cost method, which measures most reliably the work performed. The proportion that Costs incurred for work performed to date bear to the estimated total costs. Based on this an estimate is made for the revenue to be recognised for the period.

Management shall review and, when necessary, revise the estimates of revenue and costs as the service transaction or construction contract progresses.

4. Turnover

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

	2020 £000	2019 £000
Project sales	58,225	45,477
Maintenance sales	44,537	42,330
	<u>102,762</u>	<u>87,807</u>

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	102,742	87,798
Rest of Europe	20	9
	<u>102,762</u>	<u>87,807</u>

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

5. Operating profit

The operating profit is stated after charging:

	2020	2019
	£000	£000
Depreciation of tangible assets	241	312
Foreign exchange losses	4	10
Operating lease rentals	958	900

6. Auditors' remuneration

	2020	2019
	£000	£000
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	49	38

Fees payable to the Company's auditors in respect of:

Corporation Tax Services	8	-
Other services relating to taxation	4	16
Audit-related assurance services	3	3
	15	19

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

7. Employees

Staff costs, including director's remuneration, were as follows:

	2020	2019
	£000	£000
Wages and salaries	28,043	24,714
Social security costs	3,336	2,914
Other pension costs	2,825	1,813
	34,204	29,441

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

	2020	2019
	Number	Number
Selling	25	21
Production	448	415
Administration	48	41
	521	477

8. Director's remuneration

The director of the Company is remunerated for their services through the wider group in the current as well as previous year.

9. Interest receivable and similar income

	2020	2019
	£000	£000
Bank interest receivable	51	20

10. Interest payable and similar expenses

	2020	2019
	£000	£000
Bank interest payable	2	2

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

11. Tax on profit

	2020 £000	2019 £000
Corporation tax		
Current tax on profit for the year	542	552
Adjustments in respect of prior years	(20)	(42)
Total current tax	522	510
Deferred tax		
Origination and reversal of timing differences	(35)	(76)
Total deferred tax	(35)	(76)
Total tax	487	434

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2019: higher than) the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%). The differences are explained below:

	2020 £000	2019 £000
Profit before taxation	2,569	2,195
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	488	417
Effects of:		
Expenses not deductible for tax purposes	18	24
Capital allowances for year in excess of depreciation	2	42
Adjustments to tax charge in respect of prior years	(20)	(43)
Origination and reversal of timing differences	(35)	(76)
Movement in general provisions	34	70
Total tax charge for the financial year	487	434

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

11. Tax on profit (continued)

Factors that may affect future tax charges

Changes to the UK Corporation tax rates were substantively enacted on 6 September 2016 to reduce the main rate of Corporation tax to 17% from 1 April 2020 and deferred tax balances at the Balance Sheet date have been measured using this rate.

A further change was substantively enacted on 17 March 2020 to maintain the rate at 19%. So balances are included at that rate.

12. Dividends

	2020 £000	2019 £000
Dividends of £Nil per £1 share (2019: £5.33 per share)	-	1,333

13. Tangible assets

	Short-term leasehold property £000	Plant and machinery £000	Total £000
Cost			
At 1 April 2019	1,736	913	2,649
Additions	80	62	142
At 31 March 2020	1,816	975	2,791
Accumulated depreciation			
At 1 April 2019	797	847	1,644
Charge for the year	160	81	241
At 31 March 2020	957	928	1,885
Net book value			
At 31 March 2020	859	47	906
At 31 March 2019	939	66	1,005

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

13. Tangible assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2020 £000	2019 £000
Short leasehold	859	939

14. Stocks

	2020 £000	2019 £000
Raw materials and consumables	429	627

There is no significant difference between the replacement cost of the inventory and its carrying amount.

Inventories are stated after provisions for impairment of £303,311 (2019: £Nil).

15. Debtors

	2020 £000	2019 £000
Trade debtors	50,478	11,466
Amounts owed by group undertakings	75	132
Amounts recoverable on long term contracts	4,414	2,147
Deferred tax asset (note 18)	-	414
Tax recoverable	94	-
Prepayments and accrued income	454	390
Derivative financial instruments (note 19)	2,835	-
	58,350	14,549

Amounts owed by group undertakings are unsecured, have no scheduled repayment date and are non interest bearing.

Trade debtors are stated after provisions for impairment of £16,139 (2019: £13,321).

16. Cash at bank and in hand

	2020 £000	2019 £000
Cash at bank and in hand	12,821	13,916

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

17. Creditors: amounts falling due within one year

	2020 £000	2019 £000
Payments received on account on long term contracts	40,562	11,895
Trade creditors	5,055	2,620
Amounts owed to group undertakings	6,121	4,673
Corporation tax	-	274
Taxation and social security	8,371	2,891
Other creditors	1,040	906
Accruals and deferred income	4,931	4,267
Derivative financial instruments (note 19)	1,658	-
	67,738	27,526

The amounts owed to group undertakings are unsecured, have no scheduled repayment date and are non-interest bearing. Included within amounts owed to group undertakings is £800,000 (2019: £800,000) of redeemable shares. These shares are classified within creditors due within one year as they are repayable with four week's notice. The shares are unsecured and are non-interest bearing.

18. Deferred taxation

	2020 £000
At beginning of year	414
Credited to profit or loss	35
Deferred tax on cash flow hedges	(552)
At end of year	(103)

The deferred taxation balance is made up as follows:

	2020 £000	2019 £000
Accelerated capital allowances	129	132
Short term timing differences	284	246
Deferred tax on cash flow hedges	(516)	36
	(103)	414

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020**

19. Financial instruments

	2020 £000	2019 £000
Financial assets measured at fair value through profit or loss		
Derivative financial instruments	2,835	-
Financial assets that are debt instruments measured at amortised cost		
Trade debtors	50,478	11,466
Amounts owed to group undertakings	75	132
	50,553	11,598
Financial liabilities measured at fair value through profit or loss		
Derivative financial instruments	1,658	-
Financial liabilities measured at amortised cost		
Trade creditors	5,055	2,620
Amounts owed to group undertakings	6,121	4,673
Other creditors	1,040	906
Accruals	4,931	4,827
	17,147	13,026

Derivative financial instruments – Forward contracts

The Company enters into forward foreign currency contracts to mitigate the exchange rate risk for certain foreign currency receivables and payables. At 31 March 2020, the outstanding contracts all mature within 7 months (2019: 1 months) of the year end. The Group is committed to buy €16,709,000 and pay a fixed sterling amount (2019: €7,375,000). These instruments are designated in cash flow hedges of foreign currency risk and no ineffectiveness (2019: €Nil) was recognised in the period.

The forward currency contracts are measured at fair value, which 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.

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

20. Provisions for liabilities

	Dilapidation £000
At 1 April 2019	560
Charged to profit or loss	4
At 31 March 2020	564

As part of the Company's property leasing arrangements there is an obligation to repair damages which incur during the life of the lease, such as wear and tear. The provision is expected to be utilised between 2022 and 2026 as the leases terminate.

21. Called up share capital

	2020 £000	2019 £000
Allotted, called up and fully paid		
250,000 (2019: 250,000) Ordinary shares of £1 (2019: £1) each	250	250

22. Reserves

Profit and loss account

Retained earnings represent the accumulated profits, losses and distributions of the Company.

Cash flow hedge reserve

The hedging reserve represents the equity element of transactions arising from the Company's cash flow hedging arrangements.

23. Capital commitments

At 31 March the Company had capital commitments as follows:

	2020 £000	2019 £000
PO's Raised in FY - Goods Delivered after-date	34	-

24. Pension commitments

The Company operates a defined contribution pension scheme. Contributions to the stakeholder defined contribution pension scheme during the year amounted to £2,825,000 (2019: £1,813,000). The amount of contributions outstanding at the year end was £244,506 (2019: £216,896).

VANDERLANDE INDUSTRIES UNITED KINGDOM LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2020

25. Commitments under operating leases

At 31 March the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £000	2019 £000
Not later than one year	726	721
Later than one year and not later than five years	2,889	2,946
Later than five years	995	1,591
	<u>4,610</u>	<u>5,258</u>

26. Ultimate parent undertaking and controlling party

The director regard Vanderlande Industries Holding BV (Netherlands) to be the immediate parent, in view of its 100% ownership of the Company's ordinary share capital. Vanderlande Industries Holding BV (Netherlands) heads the smallest into which the results of the Company are consolidated. Financial statements are available from Vanderlandelaan 2, 5466 RB Veghel, Postbus 18, Netherlands.

The director regards Toyota Industries Corporation to be the ultimate parent and company. It is the largest group into which the results of the Company are consolidated.