

Company registration number 04432340 (England and Wales)

SUTCO UK LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022
PAGES FOR FILING WITH REGISTRAR

SUTCO UK LIMITED

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SUTCO UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
Current assets					
Debtors	4	736,988		3,781,270	
Cash at bank and in hand		92,779		275,965	
		<u>829,767</u>		<u>4,057,235</u>	
Creditors: amounts falling due within one year	5	<u>(997,084)</u>		<u>(3,883,286)</u>	
Net current (liabilities)/assets			<u>(167,317)</u>		<u>173,949</u>
Capital and reserves					
Called up share capital			601,000		601,000
Profit and loss reserves			<u>(768,317)</u>		<u>(427,051)</u>
Total equity			<u>(167,317)</u>		<u>173,949</u>

The director of the company has elected not to include a copy of the income statement within the financial statements.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved and signed by the director and authorised for issue on 5 May 2023

Mr M Ludden
Director

Company Registration No. 04432340

SUTCO UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Sutco UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Palmerston House, 814 Brighton Road, Purley, Surrey, CR8 2BR.

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 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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 £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

1.2 Going concern

Notwithstanding the net current liabilities of £167,317 as at 31 December 2022 the financial statements have been prepared on a going concern basis, which the director considers to be appropriate for the following reasons.

The Director assesses that the company will have sufficient funds to meet its liabilities as they fall due through funding from its immediate parent company. The parent company has provided a Letter of Support confirming that such funding will be provided for a period of at least 12 months from the approval of the financial statements and that repayment of amounts owed to the parent company will not be called in until the company is in a position to do so.

1.3 Turnover

Revenue Recognition

Revenue is measured as the fair value of work done and goods and services provided in the normal course of business, net of discounts and VAT.

Revenue from construction contracts is recognised in accordance with the company's accounting policy on construction contracts (see below)

Turnover is attributable to the one continuing activity, being that of electrical and mechanical contracting, and arose entirely within the United Kingdom.

Construction Contracts

On uncompleted contracts, revenue and work in progress are measured at prime cost plus overheads and a prudent proportion of the estimated profit attributable to the work carried out to date. The earliest point at which profit has been taken is that at which the outcome of the contract, based on an assessment by officials of the company, can be reliably foreseen taking into account the circumstances of each contract. Full provision is made for any losses to completion but no account is taken for claims receivable until agreed.

The company considers that the recognition of profit on construction contracts represents the key source of estimation uncertainty. This is due to the process whereby applications are made during the course of the contract with variations often being agreed as part of the final account negotiation.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.4 Cash and cash equivalents

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

1.5 Financial instruments

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

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

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

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 using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.6 Equity instruments

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

1.7 Derivatives

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

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

1.8 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.

1.9 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.

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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.

3 Employees

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

	2022 Number	2021 Number
Total	1	1

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

4 Debtors

	2022	2021
	£	£
Amounts falling due within one year:		
Trade debtors	596,548	3,248,849
Amounts owed by group undertakings	139,676	-
Prepayments and accrued income	764	532,421
	<u>736,988</u>	<u>3,781,270</u>

5 Creditors: amounts falling due within one year

	2022	2021
	£	£
Payments received on account	239,058	2,312,602
Trade creditors	695,655	340,557
Amounts owed to group undertakings	18,186	545,710
Taxation and social security	11,220	645,589
Accruals and deferred income	32,965	38,828
	<u>997,084</u>	<u>3,883,286</u>

6 Audit report information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

6 Audit report information

(Continued)

The senior statutory auditor was Mr James Holland-Leader FCA.
The auditor was Knox Cropper LLP Chartered Accountants and Statutory Auditor.

7 Related party transactions

The company has taken advantage of the exemption available in section 33.1A of FRS 102 whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

8 Parent company

The company is owned by Sutco RecyclingTechnik GmbH (100% shareholding) a company incorporated in Germany.

The ultimate parent company is LM Holding GmbH & Co. KG, a company registered in Germany. LM Holding GmbH & Co. KG prepares group financial statements and copies can be obtained from Essener Straße 13, D-49716, Meppen, Germany.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.