

Company Registration No. 11868256 (England and Wales)

HAUSER REFRIGERATION UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021

HAUSER REFRIGERATION UK LIMITED

COMPANY INFORMATION

Directors	Mr P Reitmayr Mr M Dorninger
Company number	11868256
Registered office	Unit 2D Loades Eco Park Blackhorse Road Exhall Coventry United Kingdom CV7 9FW
Auditor	Cottons Accountants LLP Chestnut Field House Chestnut Field Rugby United Kingdom CV21 2PD

HAUSER REFRIGERATION UK LIMITED

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HAUSER REFRIGERATION UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Hauser group is a European wide supplier of individual solutions for commercial refrigerated cabinets and refrigeration technology. Hauser Refrigeration UK Ltd is the UK subsidiary of the group, operating the business of the group within the UK and Irish market.

In partnership with international grocery retailers, petrol filling stations and commercial operators, energy efficient and sustainable solutions are developed.

Adhering to agreed time schedules and quality consciousness are core values. A wide product range and professional project management allow us to delivering turnkey solutions. Additionally, service solutions complete the lifecycle of these systems.

The balanced mix of experience, flexibility and acting responsibly is one of the core characteristics of the HAUSER brand. We are a reliable partner for all stakeholders. We do not expect this to change in the foreseeable future.

Fair review of the business

The year ended 31 March 2021 is the second year of the UK company, continuing with the operations of the UK Branch of Hauser GmbH.

The results for the year and key performance indicators for the Company were as follows:

31 March		2021 (£000)	2020 (£000)
Revenue	52,678	51,703	
Operating Profit	3,607	3,058	
Operating Margin	7%	6%	
Profit after Tax	2,923	2,468	

The company's activity is made up of new projects, accounting for 84% (69% 2020) of revenue and maintenance contracts, 16% (31% 2020) of revenue .

HAUSER REFRIGERATION UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Principal risks and uncertainties

The management of the business and the execution of the company's strategy are subject to several risks. The key risk affecting the company relate to the economic environment, and changes to environmental legislation, although these risks could also provide opportunities.

The current trend towards a concentration of a few big retail chains is continuing but does not create a threat. Our business development management strategy is to minimise a possible "cluster risk" by extending our customer base. The competitive environment is monitored closely.

Material sourcing can be subject to some volatility which is mitigated by management focus on our supply chain not being heavily reliant on only a few suppliers. Supplier agreements and pricing is agreed with written contracts.

The labour market creates a possible risk to growth within the industry due to the scarce availability of skilled technical labour. Hauser Group will continue with the strategy of training staff to fit the roles required as well as maintaining partnerships with third party service providers.

Financial risks include credit risk, liquidity risk and price risk. Credit risks are mitigated by the implemented policies on granting credit to customers. We operate a robust credit management system to minimise debt risk, we have recorded no bad debts in this period and have no doubtful debts currently, our invoices are settled in an average of 26 days (25 days 2020).

The company manages liquidity so that resources are available to meet liabilities when they fall due. Our creditors benefit from our current creditor days of an average of 33 days (39 days 2020). Liquidity is provided through cash balances and through the "multi bank strategy".

The company has some exposure to price risk which is minimised by agreeing contract terms and prices in advance with both customers and service partners. Project management risk management software is utilised optimising our processes for project controlling and calculation errors.

The scarce supply of skilled technical labour means we must focus on employee turnover, the turnover rate for the year ended 2021 was 4% (2020 was 13%). Staff training and a healthy work life balance is a strategy for maintaining employee satisfaction.

During the financial year we have moved into a new facility which offers warehousing space for our spare parts as well as a bigger office space. This move will give us greater flexibility and an improved just-in-time service to our repair callouts. The move was completed in March 2021.

HAUSER REFRIGERATION UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

Development and performance

At the end of 2021 project sales income was 96.18% of the "COVID-19" adjusted budget, the adjustment for COVID-19 was -5% of the original budget. Some projects were delayed during the first lockdown, but changes in operational procedures allowed project work to continue through subsequent lockdowns and restrictions. Project revenue at 31 March 2021 was 7% lower than budgeted for the year.

The principal customer base of grocery retail has proven very stable and is expected to remain so, grocery retail is generally recession proof.

Our order book stands at a total of £43m (£65m 2021). The reduction from last year is due to last years efficiencies in pushing 2021 work through early.

The strategic focus for growth is to offer our customers unrivalled quality products and works, ensuring that we can minimise disruption to our margin whilst maintaining customer confidence with the Hauser solution. Controls are conducted in the manufacturing plants as well as on site during commissioning. Costs of poor quality are monitored closely and reported monthly and root cause analysis and problem-solving processes are applied to avoid reoccurring issues. The costs of poor quality for the year ended March 2021 were less than 10% of budgeted costs.

The focus is to continue to driving efficiencies across the business setting new standards in customer service whilst maintaining project delivery rates with the current high-quality work and without reducing margin.

Key performance indicators

Some of the key financial indicators for the company are noted above and all show an improvement from the previous year.

The company continually monitors dedicated KPIs. We operate a robust credit management system to minimise debt risk. To secure liquidity we have a "multi bank strategy" and constant communication.

Quality controls are conducted in the manufacturing plants as well as on site during commissioning. Quality costs are monitored and reported monthly and root cause analysis and problem-solving processes are applied to avoid reoccurring issues.

Chance-/Risk management software is utilised optimising our processes for project controlling and calculation errors. Management focus on budget variances ensures continuous improvement and corrections.

On behalf of the board

Mr M Dorninger
Director

28 July 2021

HAUSER REFRIGERATION UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company in the period under review was that of the manufacture of non-domestic cooling and ventilation equipment.

Results and dividends

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

Ordinary dividends were paid amounting to £2,468,384. 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:

Mr P Reitmayr
Mr M Dorninger

Post reporting date events

A new group company has been incorporated in Ireland. During FY 2022 the Irish operation will be transferred to this new company. Irish sales in 2021 amounted to £6m, approximately 11%.

There are no other post balance sheet events that could influence the asset, financial, or earnings-situation of the company negatively. The continued COVID 19 restrictions will not to have a substantial impact on the stability of the company.

Auditor

Cottons Accountants LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

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.

On behalf of the board

Mr M Dorninger
Director

28 July 2021

HAUSER REFRIGERATION UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 MARCH 2021

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

HAUSER REFRIGERATION UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF HAUSER REFRIGERATION UK LIMITED

Opinion

We have audited the financial statements of Hauser Refrigeration UK Limited (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report 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.

HAUSER REFRIGERATION UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF HAUSER REFRIGERATION UK LIMITED

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 and the directors' report.

We have nothing to report in respect of the following matters where 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.

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.

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.

HAUSER REFRIGERATION UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF HAUSER REFRIGERATION UK LIMITED

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Mark Palmer BSC MFP FCA (Senior Statutory Auditor)
For and on behalf of Cottons Accountants LLP

1 September 2021

Chartered Accountants
Statutory Auditor

Chestnut Field House
Chestnut Field
Rugby
United Kingdom
CV21 2PD

HAUSER REFRIGERATION UK LIMITED

PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

		Year ended 31 March 2021 £	Period ended 31 March 2020 £
	Notes		
Turnover	3	52,678,208	51,702,938
Cost of sales		(45,713,750)	(45,983,524)
Gross profit		6,964,458	5,719,414
Administrative expenses		(3,357,141)	(2,661,030)
Profit before taxation		3,607,317	3,058,384
Tax on profit	7	(683,450)	(590,000)
Profit for the financial year		2,923,867	2,468,384

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

HAUSER REFRIGERATION UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2021

	Year ended 2021 £	Period ended 2020 £
Profit for the year	2,923,867	2,468,384
Other comprehensive income	-	-
Total comprehensive income for the year	<u>2,923,867</u>	<u>2,468,384</u>

HAUSER REFRIGERATION UK LIMITED

BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Tangible assets	9		438,344		19,476
Current assets					
Stocks	10	9,150,993		13,094,341	
Debtors	11	8,010,333		7,293,160	
Cash at bank and in hand		11,571,384		4,394,395	
		<u>28,732,710</u>		<u>24,781,896</u>	
Creditors: amounts falling due within one year	12	<u>(13,537,863)</u>		<u>(9,660,664)</u>	
Net current assets			15,194,847		15,121,232
Total assets less current liabilities			<u>15,633,191</u>		<u>15,140,708</u>
Provisions for liabilities					
Deferred tax liability	13	37,000		-	
		<u>(37,000)</u>		<u>-</u>	
Net assets			<u>15,596,191</u>		<u>15,140,708</u>
Capital and reserves					
Called up share capital	15	30,000		30,000	
Share premium account		12,642,324		12,642,324	
Profit and loss reserves		2,923,867		2,468,384	
Total equity			<u>15,596,191</u>		<u>15,140,708</u>

The financial statements were approved by the board of directors and authorised for issue on 28 July 2021 and are signed on its behalf by:

Mr M Dorninger
Director

Company Registration No. 11868256

HAUSER REFRIGERATION UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2021

	Notes	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 7 March 2019		-	-	-	-
Period ended 31 March 2020:					
Profit and total comprehensive income for the period		-	-	2,468,384	2,468,384
Issue of share capital	15	30,000	12,642,324	-	12,672,324
Balance at 31 March 2020		30,000	12,642,324	2,468,384	15,140,708
Year ended 31 March 2021:					
Profit and total comprehensive income for the year		-	-	2,923,867	2,923,867
Dividends	8	-	-	(2,468,384)	(2,468,384)
Balance at 31 March 2021		30,000	12,642,324	2,923,867	15,596,191

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

Hauser Refrigeration UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 2D Loades Eco Park, Blackhorse Road, Exhall, Coventry, United Kingdom, CV7 9FW.

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 £.

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.

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 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Hauser GmbH. These consolidated financial statements are available from its registered office, AM Hartmayrgut 4-6, 4040 Linz, Austria.

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

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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 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.

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:

Leasehold improvements	10% straight line
Plant and equipment	10% straight line
Fixtures and fittings	10% straight line
Computers	33% straight line

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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

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.

Stock is valued at average cost price.

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 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.

1.8 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 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.

Other financial assets

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

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.

Other financial liabilities

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 finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.9 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.

1.10 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.

1.11 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.

1.12 Retirement benefits

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

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.13 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.

1.14 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 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.

Critical judgements

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

Warranty provision

The company makes an estimate of the value payable to their customers in respect of warranties. When assessing the warranty value, management considers factors including the machine cost, period of warranty, training costs, installation and start up costs along with other service costs.

Stock provisions

The company makes an estimate of those items which are included in stock which may have a reduced value due to product obsolescence or other reason affecting their carrying value.

3 Turnover and other revenue

	2021	2020
	£	£
Turnover analysed by class of business		
Project sales	44,384,999	35,882,247
Service sales	8,293,209	15,820,691
	<u>52,678,208</u>	<u>51,702,938</u>

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

3 Turnover and other revenue (Continued)

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	43,228,546	46,752,654
Europe	9,449,662	4,950,284
	<u>52,678,208</u>	<u>51,702,938</u>

4 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging:		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	595,858	726,467
Fees payable to the company's auditor for the audit of the company's financial statements	22,500	26,000
Depreciation of owned tangible fixed assets	12,943	7,396
(Profit)/loss on disposal of tangible fixed assets	-	23
Operating lease charges	905,407	773,525
	<u>1,536,708</u>	<u>1,539,811</u>

5 Employees

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

	2021 Number	2020 Number
Director	1	1
Business development	2	2
Other management	4	4
Admin	9	9
Technical	5	4
Total	<u>21</u>	<u>20</u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	1,111,874	1,146,753
Social security costs	113,575	103,882
Pension costs	32,127	40,553
	<u>1,257,576</u>	<u>1,291,188</u>

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	-	15,430

7 Taxation

	2021 £	2020 £
Current tax		
UK corporation tax on profits for the current period	646,450	590,000
Deferred tax		
Origination and reversal of timing differences	37,000	-
Total tax charge	683,450	590,000

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:

	2021 £	2020 £
Profit before taxation	3,607,317	3,058,384
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	685,390	581,093
Tax effect of expenses that are not deductible in determining taxable profit	446	8,907
Permanent capital allowances in excess of depreciation	(2,386)	-
Taxation charge for the year	683,450	590,000

8 Dividends

	2021 £	2020 £
Interim paid	2,468,384	-

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

9 Tangible fixed assets

	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Total
	£	£	£	£	£
Cost					
At 1 April 2020	-	364	6,795	19,470	26,629
Additions	379,607	33,494	2,671	16,062	431,834
Disposals	-	-	-	(1,798)	(1,798)
At 31 March 2021	379,607	33,858	9,466	33,734	456,665
Depreciation and impairment					
At 1 April 2020	-	139	1,456	5,558	7,153
Depreciation charged in the year	3,032	942	1,217	7,752	12,943
Eliminated in respect of disposals	-	-	-	(1,775)	(1,775)
At 31 March 2021	3,032	1,081	2,673	11,535	18,321
Carrying amount					
At 31 March 2021	376,575	32,777	6,793	22,199	438,344
At 31 March 2020	-	225	5,339	13,912	19,476

10 Stocks

	2021 £	2020 £
Raw materials and consumables	1,174,366	1,173,259
Work in progress	6,666,950	4,272,459
Finished goods and goods for resale	1,309,677	7,648,623
	9,150,993	13,094,341

11 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	3,835,106	3,272,513
Amounts owed by group undertakings	3,837,770	3,103,217
Other debtors	53,764	328,588
Prepayments and accrued income	283,693	588,842
	8,010,333	7,293,160

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

12 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	2,940,601	1,778,981
Amounts owed to group undertakings	7,721,753	2,930,650
Corporation tax	371,950	754,844
Other taxation and social security	843,865	2,517,524
Accruals and deferred income	1,659,694	1,678,665
	<u>13,537,863</u>	<u>9,660,664</u>

Included within creditors is an amount relating to provisions for estimated liabilities arising under warranties. At the balance sheet date the provision was £447,000.

13 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	<u>37,000</u>	<u>-</u>
Movements in the year:		2021 £
Liability at 1 April 2020		-
Charge to profit or loss		<u>37,000</u>
Liability at 31 March 2021		<u>37,000</u>

The deferred tax liability set out above is expected to reverse within [12 months] and relates to accelerated capital allowances that are expected to mature within the same period.

14 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>32,127</u>	<u>40,553</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.

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

15 Share capital

	2021 £	2020 £
Ordinary share capital		
Issued and fully paid		
30,000 Ordinary shares of £1 each	30,000	30,000

16 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:

	2021 £	2020 £
Within one year	102,791	24,975
Between two and five years	395,206	-
In over five years	430,000	-
	<u>927,997</u>	<u>24,975</u>

17 Related party transactions

Transactions with related parties

During the year the company entered into the following transactions with related parties:

	Purchases 2021 £	2020 £
Entities over which the entity has control, joint control or significant influence	-	83,931

	2021 £	2020 £
Amounts due to related parties		
Entities over which the entity has control, joint control or significant influence	-	83,931

Other information

The company has taken advantage of the exemption, under the terms of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" not to disclose transactions with wholly owned subsidiaries within the group.

HAUSER REFRIGERATION UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

18 Ultimate controlling party

Hauser GmbH, a company incorporated in Austria, is regarded by the directors as being the company's ultimate parent company. Group accounts are available from their registered office which is included in note 1.1.

19 Auditor's liability limitation agreement

Upon appointment of Cottons Accountants LLP as auditors, the company entered into a limitation liability agreement with the auditors and this was approved by resolution on 11 February 2021. Liability is limited to the lesser of 20 times the audit fee or £450,000. In accordance with section 537 of CA06, the effect of the liability limitation agreement is to limit the auditor's liability to less than such amount as is fair and reasonable, as determined by that section, the agreement shall have effect as if it limited the liability to such amount as is fair and reasonable, as so determined.

The agreement limits the liability owed to the company by the auditors in respect of any negligence, default, or breach of duty, or breach of trust, occurring in the course of the audit of the accounts for the period ending 31st March 2021.

The agreement does not limit liability for any instance of fraud or dishonesty on behalf of the auditor or any other liability that cannot be excluded or restricted by applicable laws or regulations.

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.