Polysius Limited

Annual report and financial statements

Registered number: 00442739

Year ended 30 September 2021

Contents

Strategic Report

The director presents their Strategic Report on the company for the year ended 30 September 2021.

Review of the business

Further information on the company's performance in the year can be found in the 'key performance indicators' section below.

Key performance indicators	2021 €000	2020 €000
Revenue	**1,547**	1,183
Gross profit	**270**	209
Profit for the financial year	**6**	12

Revenue
The revenue for the year increased by €364,000 from the prior year, largely due to improved market conditions after COVID-19.

Gross profit
The gross profit margin for the year decreased from 17.7% to 17.5% which was due to competitor pressure on gross margin prices.

Profit for the financial year
On 18 December 2020, the company sold its share of the freehold interest in Pinewood House in North Ascot, Berkshire for €392,000 before costs, versus the €301,000 short leasehold property book value giving rise to a €71,000 profit after costs.

The profit for the financial year was €6,000 (2020: profit of €12,000). The main reason for the decrease in profit in 2021 is due to increased competition forcing lower margins.

Financial risk management
The company's operations expose it to a variety of financial risks that include:

Price risk
The management expect to meet the planned order intake targets and to maintain the associated price levels of their goods and services.

Credit risk
The main cash account is held through intercompany cash pooling. It is therefore not anticipated that any credit arrangements will be necessary and no risk is seen to be applicable in this area.

Liquidity risk
It is not foreseen that the liquidity of the company will be a risk, based upon expected payment terms and payment philosophies.

Interest rate risk
The management do not expect any financial risk to the company performance, arising from changes in interest rates. Interest bearing assets are cash balances pooled within the group.

Foreign currency risk
The management do not expect any financial risk to the company performance, arising from changes in foreign exchange rates as the functional currency of the company and the majority of sales and costs are all denominated in Euros.

Strategic Report *(continued)*

Impact of COVID-19

The company has been impacted by the difficult market conditions caused by COVID-19 in the year and expect to be impacted similarly in the financial year ending 30 September 2021.

Impact of Brexit

The impact of the terms of the United Kingdom's withdrawal from the European Union were finalised at the end of December 2021 but is likely to continue to lead to several months of uncertainty as the new arrangements come into force. The director does do not believe that it will have a material impact on the business but will monitor events closely.

Promoting the success of the company and section 172(1) statement of the Companies Act 2006 (section 172)

The director's overarching duty is to promote the success of the company for the benefit of its shareholders, with consideration of stakeholders' interests, as set out in section 172. The board regards a well governed business as essential for the successful delivery of its principal activity.

The director is aware of his under section 172 to act in the way which they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole and, in doing so, to have regard (amongst other matters) to:

a) the likely consequences of any decision in the long term;

b) the interests of the company's employees;

c) the need to foster the company's business relationships with suppliers, customers and others;

d) the impact of the company's operations on the community and the environment;

e) the desirability of the company maintaining a reputation for high standards of business conduct; and

f) the need to act fairly as between members of the company.

The company is a UK subsidiary of thyssenkrupp AG. a company quoted on the Frankfurt Stock Exchange. Thyssenkrupp AG are an internationally positioned group of largely independent and efficient industrial and technology companies, operating in 56 countries with 101,000 employees.

The company forms part of thyssenkrupp AG and is a subsidiary undertaking of thyssenkrupp UK Plc. The board of thyssenkrupp manages the group's operations on a global and divisional basis. From the perspective of the board, as a result of the group governance structure, the matters that it is responsible for considering under section 172 have been considered to an appropriate extent by the group and thyssenkrupp UK Plc board in relation both to the group and to this entity, unless otherwise mentioned below. The board has also considered relevant matters where appropriate.

To the extent necessary for an understanding of the development, performance and position of the entity, the company's director believes that the requirements of section 172 (1)(a) – (f) are discussed in detail in the thyssenkrupp AG Annual Report on pages 22 to 154.

On behalf of the board

M Whetton

M Whetton
Director
23 December 2021

Director's Report

The director presents their report and the audited financial statements of the company for the year ended 30 September 2021.

Future developments
The company continues to operate as a spares and service provider to the cement industry. However, the company is still looking for opportunities to operate in the mining aggregate divisions of the UK although this is proving a difficult market to break into.

At the year-end, the company is part of the Plant Technology segment of thyssenkrupp AG. From 1 October 2021, Plant Technology is now part of the Multi Tracks segment where thyssenkrupp AG alone is not seen as the best owner and will be subject to active investment management.

Profit and dividends
The profit for the year, after taxation, amounted to €6,000 (2020: profit of €12,000).

No dividend is proposed in relation to the year ended 30 September 2021.

During the prior year a final dividend in relation to the year ended 30 September 2020 of €1.90 per ordinary share was paid on 26 February 2021 which amounted to €570,000 (2020: €nil).

Director
The director who served during the year, and up until the date of signing unless otherwise stated were:

M Whetton

Director's liability insurance and indemnification

During the year under review the company purchased and maintained liability insurance for its director as permitted by Section 233 of the Companies Act 2006. The company has identified its director to cover any liabilities that may arise to a third party as defined by Section 234 of the Companies Act 2006. This indemnity was in force during the financial year and at the date of approval of these financial statements.

Post balance sheet events

There are no material post balance sheet events to report.

Financial risk management

The company's policies for financial risk management is included on page 1 within the Strategic Report.

Employees
The average employee numbers have been increased to three due to the contractor services being brought inhouse.

Director's Report *(continued)*

Statement of director's responsibilities
The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101).

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 these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, including FRS 101, 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.

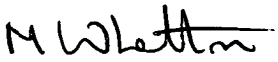
The director is responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. He 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.

Disclosure of information to auditors

The report must contain a statement to the effect that, in the case of each of the persons who is a director at the time when the report is approved, the following applies:

- As far as the director is aware, there is no relevant audit information of which the company's auditor are aware; and
- The director has taken all the steps that he/she ought to have taken as a director in order to make him/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



M Whetton
Director
23 December 2021

Independent auditors' report to the members of Polysius Limited

Report on the audit of the financial statements

Opinion

In our opinion, Polysius Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 30 September 2021 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 101 "Reduced Disclosure Framework", 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: Statement of financial position as at 30 September 2021; the Statement of comprehensive income and 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

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.

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

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

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

Independent auditors' report to the members of Polysius Limited (continued)

Report on the audit of the financial statements (continued)

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 director is 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.

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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 30 September 2021 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 director for the financial statements

As explained more fully in the Statement of director's responsibilities, the director is 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 director is 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 director either intends to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of Polysius Limited (continued)

Report on the audit of the financial statements (continued)

Responsibilities for the financial statements and the audit (continued)

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to to the failure to comply with employment legislation, UK taxation legislation, health and safety legislation and anti-bribery and corruption laws, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the posting of inappropriate journal entries and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- enquiries of management;
- review of legal expense accounts and board minutes;
- obtained an understanding of the control environment to prevent and detect irregularities and fraud;
- testing of accounting estimates which could be subject to management bias;; and
- auditing the risk of management override of controls, including testing non-standard journal entries and unpredictable procedures around cash payments.

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

A further description of our responsibilities 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.

Independent auditors' report to the members of Polysius 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 obtained 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 director's 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.

Simon Evans

Simon Evans (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Birmingham
23 December 2021

Statement of comprehensive income

for the year ended 30 September 2021

	Note	2021 €000	2020 €000
Revenue	*4*	**1,547**	1,183
Cost of sales		**(1,277)**	(974)
Gross profit		**270**	209
Administrative expenses		**(355)**	(272)
Profit on disposal of fixed assets	*5*	**71**	-
Other operating income	*5*	**21**	68
Operating profit	*5*	**7**	5
Finance income	*7*	**1**	9
Finance costs	*7*	**(2)**	(2)
Net finance (cost) / income	*7*	**(1)**	7
Profit before taxation		**6**	12
Income tax expense	*8*	**-**	-
Profit for the financial year and total comprehensive income		**6**	12

Statement of financial position
as at 30 September 2021

	Note	2021 €000	2020 €000
Fixed assets			
Property, plant and equipment	9	**4**	303
Current assets			
Trade and other receivables	10	**2,019**	1,779
Cash and cash equivalents		**-**	-
		2,019	1,779
Creditors: amounts falling due within one year	11	**(515)**	(577)
Net current assets		**1,504**	1,202
Total assets less current liabilities		**1,508**	1,505
Creditors: amounts falling due after more than one year	12	**(1)**	(4)
Net assets		**1,507**	1,501
Equity			
Called up share capital	13	**386**	386
Revaluation reserve		**-**	406
Retained earnings		**1,121**	709
Total shareholders' funds		**1,507**	1,501

The notes on pages 12 to 24 are an integral part of these financial statements.

The financial statements on pages 9 to 24 were authorised for issue by the director on 23 December 2021 and were signed on its behalf.

M Whetton

Director

Registered number: 00442739

Statement of changes in equity
for the year ended 30 September 2021

	Note	Called up share capital €000	Revaluation reserve €000	Retained earnings €000	Total €000
Balance as at 1 October 2019		**386**	**406**	**1,267**	**2,059**
Profit for the financial year and total comprehensive income		-	-	12	12
Dividends paid	*14*	-	-	(570)	(570)
Balance as at 30 September 2020		**386**	**406**	**709**	**1,501**
Profit for the financial year and total comprehensive income		-	-	6	6
Transfer from revaluation reserve		-	(406)	406	-
Balance as at 30 September 2021		**386**	**-**	**1,121**	**1,507**

Notes to the financial statements

1 General information

Polysius Limited designs and supplies plant, normally under long term contracts, mainly to the cement industry but also to the slag, chemical and related industries. The company mainly trades in the UK.

The company is a private company limited by shares and is incorporated in the United Kingdom and registered and domiciled in England. The address of its registered office is 3rd Floor, Friar Gate 1 1011 Stratford Road, Shirley, Solihull, West Midlands, B90 4BN.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Polysius Limited have been prepared in accordance with Financial Reporting Standard 101, 'Reduced Disclosure Framework' (FRS 101). The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006 as applicable to companies using FRS 101.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3.

The following exemptions from the requirements of IFRS have been applied in the preparation of these financial statements, in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurement of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - paragraph 79(a)(iv) of IAS 1;
  - paragraph 73(e) of IAS 16 Property, plant and equipment;
  - paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 10(f) (a statement of financial position as at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements),
  - 16 (statement of compliance with all IFRS),
  - 38A (requirement for minimum of two primary statements, including cash flow statements),
  - 38B-D (additional comparative information),
  - 40A-D (requirements for a third statement of financial position
  - 111 (cash flow statement information), and
  - 134-136 (capital management disclosures)
- IAS 7, 'Statement of cash flows';
  - Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (key management compensation)
- The requirements in IAS 24, 'Related party disclosures' to disclose related party transactions entered into between two or more members of a group.
- The requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119 (a) to (c), 120 to 127 and 129 of IFRS 15 'Revenue from Contracts with Customers'.

Notes to the financial statements *(continued)*

2.2 New and revised standards applied by the company

There are no amendments to accounting standards or IFRIC interpretations that are effective for the year ended 30 September 2021 that have a material impact on the company

Payments associated with a short-term lease of property and all leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

2.3 Going concern

The company meets its day-to-day working capital requirements through its cash reserves. The current economic conditions continue to create uncertainty particularly over the level of demand for the company's products. The company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the company should be able to operate within the level of its current cash pool reserves. After making enquiries, the director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

2.4 Foreign currency translation

(a) Functional and presentation currency
Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates ('the functional currency'). The financial statements are presented in 'Euro' (€), which is also the company's functional currency.

(b) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement, except when deferred in other comprehensive income as qualifying cash flow hedges. All other foreign exchange gains and losses are presented in the income statement within 'administrative expenses'.

Notes to the financial statements *(continued)*

2.5 Financial instruments

Amortised cost assets (including trade and other receivables) are primarily financial assets with fixed or determinable payments that are not traded in an active market and are reported on the balance sheet under "Debtors: amounts falling due within one year." Initial measurement takes place at fair value plus transaction costs. They are subsequently measured at amortised cost, using the effective interest method. Valuation allowances are provided for identifiable individual risks in addition to the expected credit losses calculated when known.

Financial liabilities (including trade and other payables) are measured at amortised cost, using the effective interest method. Initial measurement takes place at fair value net of transaction costs incurred. In subsequent periods, the amortisation and accretion of any premium or discount is included in finance costs/income.

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Where shares are issued, any component that creates a financial liability of the Company is presented as a liability in the balance sheet. The corresponding dividends relating to the liability component are charged as interest expense in the profit and loss account.

2.6 Property, plant and equipment

Land and buildings comprise of a Leasehold property. Prior to transition to FRS *101* for the year ended 30 September 2016 the leasehold property was held at fair value, based on valuations by external independent valuers, less subsequent depreciation. Following transition to FRS 101 the company elected to take the fair value at the transition date as the cost of the leasehold property with the leasehold property subsequently being held at cost rather than fair value.

All other property, plant and equipment has always been stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Increases in the carrying amount arising on revaluation of land and buildings from previous revaluations are shown in the Revaluation reserve in shareholders' funds. When revalued assets are sold, the amounts included in Revaluation reserve are transferred to retained earnings.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost or revalued amounts to their residual values over their estimated useful lives, as follows:
– Short leasehold property 2% straight line
– Plant and equipment 10% - 20% straight line
– Leasehold Improvements 10% straight line
– Furniture, fittings and equipment 10% straight line

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'Other income' in the income statement.

Notes to the financial statements *(continued)*

2.7 Trade and other receivables

Trade and other receivables are amounts due from customers for goods sold in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business if longer), they are classified as current assets. If not, they are presented as non-current assets.

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an expected credit loss provision for impairment.

2.8 Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.9 Share capital

Ordinary shares are classified as equity.

2.10 Creditors

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.11 Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in shareholders' funds. In this case, the tax is also recognised in other comprehensive income or directly in shareholders' funds, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the company operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill; or arise from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Notes to the financial statements *(continued)*

2.12 Employee benefits
The company offers a Life Assurance, Aviva Health Care, as well as a defined contribution pension to all employees.

2.13 Provisions
Provisions for environmental restoration, restructuring costs and legal claims are recognised when: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

2.14 Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. Revenue is recognised when control of the goods has transferred to the customer.

(a) Sales of services
The company sells services and project management of own and third party installations. For sales of services revenue is recognised at a point in time and in the accounting period in which services are rendered.

(b) Sales of spare parts
The company sells spare parts which are procured in Germany by our sister company thyssenkrupp Industrial Solutions AG. The revenue is recognised at a point in time and in the accounting period in which the spare parts are sold.

2.15 Interest income
Interest income is received in respect of the Intercompany cash pool account, this is paid based on the interest as per thyssenkrupp AG interest rate and is recognised in the income statement in the period of receipt.

3 Critical accounting estimates and judgments

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates and assumptions

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. There are no estimates and assumptions that are deemed to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the financial statements *(continued)*

4 Revenue

Analysis of revenue by geography:

	2021 €000	2020 €000
United Kingdom	**1,331**	867
Other countries	**216**	316
	1,547	1,183

Analysis of revenue by category:

	2021 €000	2020 €000
Sales of services	**149**	164
Sales of spare parts	**1,398**	1,019
	1,547	1,183

5 Operating profit

Operating profit is stated after charging / (crediting):

	2021 €000	2020 €000
Wages and salaries	**193**	142
Social security costs	**20**	14
Other pension costs (note 15)	**13**	14
Staff costs	**226**	170
Depreciation of tangible assets (included in 'administrative expenses')	**2**	9
Profit on disposal of tangible assets	**(71)**	-
Other operating income	**(21)**	(68)
Expense relating to short-term leases (included in administrative expenses)	**27**	22
Impairment of financial assets	**-**	-
Audit fees payable to the company's auditors	**12**	11
Foreign currency exchange losses / (gains)	**1**	(18)

On 18 December 2020, the company sold its share of the freehold interest in Pinewood House in North Ascot, Berkshire for €392,000 before costs, versus the €301,000 short leasehold property book value giving rise to a €71,000 profit after costs.

Other operating income relates to recharges, largely payroll related, to other group undertakings.

No non-audit services have been provided to the company by the company's auditors.

Notes to the financial statements *(continued)*

6 Employees and director

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

	Number of employees	
By activity	**2021**	2020
Administration	**4**	3
	4	3

Director

The director's emoluments were as follows:

	2021	2020
	€000	€000
Aggregate emoluments	**43**	-
	43	-

For the prior year and part of the current year, the director was remunerated by another group company and it was not practical to allocate the remuneration out to the individual group companies. The company incurred costs of €nil (2020: €nil) for the provision of key management services from other group companies.

Notes to the financial statements *(continued)*

7 Finance income and costs

	2021	2020
	€000	€000
Other interest receivable	**1**	9
Total finance income	**1**	9

Finance costs

	2021	2020
	€000	€000
Interest and bank charges	**2**	2
Total finance costs	**2**	2

Net finance (cost) / income

	2021	2020
	€000	€000
Interest income	**1**	9
Interest expense	**(2)**	(2)
	(1)	7

Notes to the financial statements *(continued)*

8 Income tax expense

Tax expenses included in the income statement

	2021	2020
	€000	€000
Current tax:		
- Foreign tax on income for the year	-	- -
Total current tax	-	-
Deferred tax:		
Origination and reversal of timing differences	-	-
Total deferred tax	-	-
Tax on profit	-	-

Notes to the financial statements *(continued)*

8 Income tax expense (continued)

Tax expense for the year is lower (2020: lower) than the standard rate of corporation tax in the UK for the year ended 30 September 2021 of 19% (2020: 19%). The differences are explained below:

	2021	2020
	€000	€000
Profit before tax	**6**	12
Profit before tax multiplied by the standard rate of tax in the UK of 19% (2020: 19%)	**1**	2
Effects of:		
- Expenses not deductible for tax purposes	**-**	1
- Deferred tax not recognised	**14**	(3)
- Fixed assets differences	**(15)**	2
- Income not taxable for tax purposes	**-**	-
- Changes in tax rates	**-**	-
- Adjustments to tax charge in respect of previous periods	**-**	-
- Group relief claimed	**-**	(2)
Total tax charge	**-**	-

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. This change was covered in the Finance Bill 2021 which was substantively enacted on 24 May 2021 and so deferred tax assets and liabilities have been re-measured accordingly.

Notes to the financial statements *(continued)*

9 Property, plant and equipment

	Short leasehold property	Plant, equipment, fixtures and fittings	Leasehold improvements	Total
	€000	€000	€000	€000
Cost				
At 1 October 2020	460	5	4	469
Additions	-	4	-	4
Disposals	(460)	(2)	(4)	(466)
At 30 September 2021	**-**	**7**	**-**	**7**
Accumulated depreciation				
At 1 October 2020	159	4	3	166
Charge for the year	1	1	-	2
Disposals	(160)	(2)	(3)	(165)
At 30 September 2021	**-**	**3**	**-**	**3**
Net book value				
At 30 September 2021	**-**	**4**	**-**	**4**
At 30 September 2020	301	1	1	303

On 18 December 2020, the company sold its share of the freehold interest in Pinewood House in North Ascot, Berkshire for €392,000 before costs, versus the €301,000 short leasehold property book value giving rise to a €71,000 profit after costs.

Analysis of the land and buildings that have been revalued to show the carrying amount that would have been recognised had the assets been carried under the cost model is as follows:

	2021	2020
	€000	€000
Historic cost equivalent	-	54
Amount of revaluation reserve	-	406
Cost	-	460

The properties were last revalued in 2015 by an independent valuer using arm's length market transactions for similar properties sold in the local area.

Notes to the financial statements *(continued)*

10 Trade and other receivables

	2021	2020
	€000	€000
Due within one year:		
Trade receivables	**354**	362
Amounts owed by group undertakings	**1,578**	1,356
Prepayments and accrued income	**87**	61
	2,019	1,779

Amounts owed by group undertakings are unsecured and interest free, with the exception of the cashpool balance which is interest bearing at variable rates and is repayable on demand. Amounts owed by group undertakings are stated after loss allowances of €nil (2020: €nil).

Trade receivables are stated after loss allowances of €35,000 (2020: €34,000).

11 Creditors: amounts falling due within one year

	2021	2020
	€000	€000
Amounts falling due within one year:		
Amounts owed to group undertakings	**198**	258
Taxation and social security	**2**	24
Accruals and deferred income	**315**	295
	515	577

Amounts owed to group undertakings are unsecured, interest free and are repayable on normal trading terms.

12 Creditors: amounts falling due after more than one year

	2021	2020
	€000	€000
Amounts falling due after more than one year:		
Other creditors	**1**	4
	1	4

The above amount of €1,000 (2020: €4,000) is in relation to the warranty provision held at the year-end.

Notes to the financial statements *(continued)*

13 Called up share capital

Share capital consists of 300,000 (2020: 300,000) ordinary shares of £1 (€1.29) each

Allocated and fully paid	**2021**	2020
	€000	€000
At 1 October	**386**	386
At 30 September	**386**	386

14 Dividends

	2021	2020
	€000	€000
Ordinary shares		
€nil (2020: €1.90) per ordinary share of £1	-	570

No dividend is proposed in relation to the year ended 30 September 2021.

During the prior year a final dividend in relation to the year ended 30 September 2019 of €1.90 per ordinary share was paid on 26 February 2020 which amounted to €570,000.

15 Pensions

The company operates a defined contribution pension scheme which is open to all employees. It is a money purchase scheme providing benefits based on the level of each employee's fund at the date of retirement.

The assets of the scheme are held separately from those of the company by the insurance company which administers the scheme. The pension charge represents contributions payable by the company to the fund together with amounts paid into the private schemes of employees and amounts to €13,000 (2020: €14,000).

At 30 September 2021 €1,000 (2020: €nil) was outstanding in respect of the pension scheme.

16 Events after the end of the reporting period

There are no material post balance sheet events to report.

17 Ultimate parent company and immediate parent undertaking

The company regarded by the director as being the ultimate controlling and the ultimate parent company is thyssenkrupp AG which is incorporated in Germany. This is the largest and smallest group within which Polysius Limited is consolidated. The consolidated financial statements of thyssenkrupp AG can be obtained from thyssenkrupp AG, Allee 1, Postfach 45063, 45143 Essen, Germany.

The immediate parent undertaking is thyssenkrupp UK Plc which is incorporated in the United Kingdom and registered at 3rd Floor, Friars Gate 1 1011 Stratford Road, Shirley, Solihull, West Midlands, B90 4BN.