

**REGISTERED NUMBER: 00992565 (England and Wales)**

**Strategic Report, Report of the Directors and  
Financial Statements  
for the Year Ended 31 December 2021  
for  
KraussMaffei Group UK Limited**

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**Contents of the Financial Statements  
for the year ended 31 December 2021**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>4</b>
<b>Report of the Independent Auditors</b>	<b>6</b>
<b>Income Statement</b>	<b>9</b>
<b>Other Comprehensive Income</b>	<b>11</b>
<b>Balance Sheet</b>	<b>12</b>
<b>Statement of Changes in Equity</b>	<b>13</b>
<b>Notes to the Financial Statements</b>	<b>14</b>

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**KraussMaffei Group UK Limited**

**Company Information  
for the year ended 31 December 2021**

**DIRECTORS:**

M A Bate  
M Bauer  
T Daniel  
F N Morales

**SECRETARY:**

B Eardley

**REGISTERED OFFICE:**

410 Europa Boulevard  
Gemini Business Park  
Warrington  
WA5 7TR

**REGISTERED NUMBER:**

00992565 (England and Wales)

**AUDITORS:**

Bennett Brooks & Co Limited  
Chartered Accountants  
& Statutory Auditors  
St George's Court  
Winnington Avenue  
Northwich  
Cheshire  
CW8 4EE

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Strategic Report  
for the year ended 31 December 2021**

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

**PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS**

The company's principal activities during the year continued to be the selling and servicing of injection moulding equipment, extruders and polyurethane plant for the plastics industry.

During the financial year, the company disposed of all assets and the associated liabilities for one of its major business lines, Netstal. No gain or loss was recognised upon the disposal of the business unit and the disclosures of discontinued operations have been presented in the Income Statement for both the current and comparative year in line with the requirements of IFRS 5.

Machine sales are normally made on behalf of the group with KraussMaffei Group UK Limited acting as an agent and earning a commission. However, there are some circumstances by which KraussMaffei Group UK Limited acts as a reseller to the UK and Irish market, whereby the risks and rewards lie with KraussMaffei Group UK Limited and the sale is recorded gross.

**PRINCIPAL RISKS AND UNCERTAINTIES**

It is essential to identify risks effectively relating to the various business activities in order to measure, aggregate and control these. The Group installed a framework of risk principles, organizational structures as well as processes and guidelines for risk measurement and monitoring. The risk management system includes risk reporting and a compliance department.

Below is a description of select factors that, amongst other, could have a material adverse effect on the future profitability of the company.

**Capital equipment**

Demand is influenced by changes in micro-economic conditions, consumer spending and industrial production trends. The company's broad product line partly mitigates these exposures.

**Price increases**

Raw materials, especially steel and crude oil, which is the basis for the main production material used in the group's machines and the material subsequently processed (i.e. plastic) may have material adverse effects on the company's profitability. The group is continuously trying to reduce costs and to develop new supply sources, thus optimising the purchasing processes.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The directors assess financial performance of the company by reviewing key financial benchmarks, namely, reported revenue, profit/(loss) after tax and orders received.

	2021	2020	Change
	£	£	%
Revenue	9,491,661	9,984,995	-5%
Profit for the financial year	344,568	353,380	-2%
Orders received	19,910,000	18,159,224	+10%

**Strategic Report  
for the year ended 31 December 2021**

**FINANCIAL INSTRUMENT RISKS AND TREASURY POLICIES**

The company does not have a formal treasury team. This function is performed by local management and the parent company.

The company finances its activities through cash and balances due to group undertakings. Other financial assets and liabilities, such as trade debtors and trade creditors, arise directly from the company's operating activities.

The company does not enter into interest rate swaps or forward currency contracts. The company does not trade in financial instruments.

**Credit risk**

The company does not enter into transactions on deferred terms. The company sets targets for debtors' days and doubtful debts expense against which performance is monitored.

**Liquidity risk**

The company mitigates liquidity risk by managing cash generation by its operations, applying cash collection targets and setting authorisation limits for investment.

The company funding strategy is not to rely on external finance, but to rely on group funding, the parent company having confirmed that it will continue to provide the company with financial support.

**Foreign currency risk**

The company buys goods and services denominated in currencies other than Sterling. As a result the company has some exposure to foreign currency risk. The company does not use foreign currency contracts.

**Interest rate risk**

The company does not have any external debt. Borrowings from group undertakings which bear interest at variable rates of interest and therefore the company does have some exposure to movements in interest rates.

**FUTURE DEVELOPMENTS**

The Company intends to continue operating in the selling and servicing of equipment for the plastics industry.

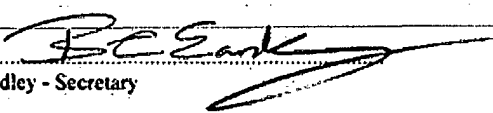
Machine orders - Brexit still has an effect with a lot of companies being cautious about investment.

COVID-19 has improved our medical sector market share and we saw growth in household goods sectors.

Digital Service Solutions (After-Sales) - COVID-19 continued to have an impact with many customers. Access to site was limited for our technicians. We did see an increase in machine servicing.

**ON BEHALF OF THE BOARD:**

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B Eardley - Secretary

Date:

2/12/2022

**Report of the Directors  
for the year ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

**DIVIDENDS**

The profit for the financial year ending December 2021 amounted to £344,568 (2020: £353,380).

The directors do not recommend a final dividend (2020: £Nil).

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

M A Bate  
M Bauer

Other changes in directors holding office are as follows:

T Daniel - appointed 11 January 2021  
O Schulz - appointed 11 January 2021

F N Morales was appointed as a director after 31 December 2021 but prior to the date of this report.

O Schulz ceased to be a director after 31 December 2021 but prior to the date of this report.

**POLITICAL AND CHARITABLE CONTRIBUTIONS**

The company made no political or charitable donations or incurred any political expenditure during the year (2020: £Nil).

**GOING CONCERN**

The directors have received a commitment from the parent company Krauss Maffei Technologies GmbH that they will continue to provide the company with financial support to enable the company to continue its operations and to meet its financial obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements. Thus they continue to adopt the going concern basis of accounting in preparing the annual financial statements, as explained in note 1, Accounting Policies.

**DISCLOSURE IN THE STRATEGIC REPORT**

Future developments, principal risks and uncertainties and financial instrument risks are disclosed in the Strategic Report.

The company has chosen in accordance with section 414(c) of the Companies Act 2006 (Strategic and Directors Report) Regulations 2013 to set out in the company's Strategic Report information required by schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulations 2008.

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

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

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

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Report of the Directors  
for the year ended 31 December 2021**

**AUDITORS**

The auditors, Bennett Brooks & Co Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies

**ON BEHALF OF THE BOARD:**



.....  
M A Baie - Director

Date: 2/12/2022 .....

**Report of the Independent Auditors to the Members of  
KraussMaffei Group UK Limited**

**Opinion**

We have audited the financial statements of KraussMaffei Group UK Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 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 Auditors' 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 directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

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 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

## **Report of the Independent Auditors to the Members of KraussMaffei Group UK Limited**

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

### **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 a Report of the Auditors 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.

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 UK tax legislation and regulations which govern the preparation of financial statements, 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 posting inappropriate journal entries to increase revenue, through management bias in manipulation of accounting estimates or accounting for significant transactions outside the normal course of business. Audit procedures performed included:

- enquiry of management around actual and potential litigation and claims and instances of non-compliance with laws and regulations;
- auditing the risk of management override of controls, through testing journal entries and other adjustments for appropriateness, testing accounting estimates (because of the risk of management bias), and evaluating the business rationale of significant transactions outside the normal course of business;
- reviewing financial statement disclosures and agreeing to supporting documentation to assess compliance with applicable laws and regulations; and
- review of board meeting minutes (where held).

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 Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of  
KraussMaffei Group UK Limited**

**Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Jason Leach (FCA) (Senior Statutory Auditor)  
for and on behalf of Bennett Brooks & Co Limited  
Chartered Accountants  
& Statutory Auditors  
St George's Court  
Winnington Avenue  
Northwich  
Cheshire  
CW8 4EE

Date: 2 December 2022

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Income Statement  
for the year ended 31 December 2021**

	Notes	2021 Continuing £	2021 Discontinued £	2021 Total £
<b>REVENUE</b>	<b>3</b>	<b>6,661,661</b>	<b>2,830,000</b>	<b>9,491,661</b>
Cost of sales		(3,071,655)	(1,932,790)	(5,004,445)
<b>GROSS PROFIT</b>		<b>3,590,006</b>	<b>897,210</b>	<b>4,487,216</b>
Selling expenses		(2,420,996)	(576,944)	(2,997,940)
Administrative expenses		(853,819)	(155,328)	(1,009,147)
		315,191	164,938	480,129
Other operating income/expense		(24,109)	-	(24,109)
<b>OPERATING PROFIT</b>		<b>291,082</b>	<b>164,938</b>	<b>456,020</b>
Interest payable and similar expenses	<b>6</b>	(67,859)	-	(67,859)
<b>PROFIT BEFORE TAXATION</b>	<b>7</b>	<b>223,223</b>	<b>164,938</b>	<b>388,161</b>
Tax on profit	<b>8</b>	(43,593)	-	(43,593)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>179,630</b>	<b>164,938</b>	<b>344,568</b>

The notes form part of these financial statements

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Income Statement  
for the year ended 31 December 2021**

	Notes	2020 Continuing £	2020 Discontinued £	2020 Total £
<b>REVENUE</b>	3	7,928,730	2,056,265	9,984,995
Cost of sales		(3,933,922)	(1,285,656)	(5,219,578)
<b>GROSS PROFIT</b>		3,994,808	770,609	4,765,417
Selling expenses		(2,664,169)	(570,659)	(3,234,828)
Administrative expenses		(1,003,494)	(88,404)	(1,091,898)
		327,145	111,546	438,691
Other operating income/expense		81,620	-	81,620
<b>OPERATING PROFIT</b>		408,765	111,546	520,311
Interest payable and similar expenses	6	(65,194)	-	(65,194)
<b>PROFIT BEFORE TAXATION</b>	7	343,571	111,546	455,117
Tax on profit	8	(101,737)	-	(101,737)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		241,834	111,546	353,380

The notes form part of these financial statements

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Other Comprehensive Income  
for the year ended 31 December 2021**

Notes	2021 £	2020 £
<b>PROFIT FOR THE YEAR</b>	<b>344,568</b>	<b>353,380</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Items that will not be reclassified to profit or loss:		
Actuarial gain/(loss) on pension	1,238,000	(998,000)
Deferred tax on actuarial gain/(loss)	(54,140)	224,945
Income tax relating to items that will not be reclassified to profit or loss	-	-
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>	<b>1,183,860</b>	<b>(773,055)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<b>1,528,428</b>	<b>(419,675)</b>

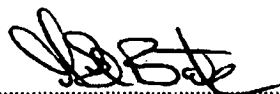
The notes form part of these financial statements

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Balance Sheet  
31 December 2021**

	Notes	2021 £	2020 £
<b>FIXED ASSETS</b>			
Owned			
Tangible assets	9	752,406	816,211
Right-of-use			
Tangible assets	9, 15	233,392	438,286
		<u>985,798</u>	<u>1,254,497</u>
<b>CURRENT ASSETS</b>			
Stocks	10	494,476	445,984
Debtors	11	4,594,130	4,001,986
Cash at bank		31,141	31,385
		<u>5,119,747</u>	<u>4,479,355</u>
<b>CREDITORS</b>			
Amounts falling due within one year	12	(2,306,318)	(1,615,936)
<b>NET CURRENT ASSETS</b>		<u>2,813,429</u>	<u>2,863,419</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>3,799,227</u>	<u>4,117,916</u>
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(65,461)	(233,250)
<b>PROVISIONS FOR LIABILITIES</b>	16	(94,448)	(219,776)
<b>PENSION LIABILITY</b>	19	(2,702,000)	(4,256,000)
<b>NET ASSETS/(LIABILITIES)</b>		<u>937,318</u>	<u>(591,110)</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	17	100,000	100,000
Other reserves	18	(139,068)	(139,068)
Retained earnings	18	976,386	(552,042)
<b>SHAREHOLDERS' FUNDS</b>		<u>937,318</u>	<u>(591,110)</u>

The financial statements were approved by the Board of Directors and authorised for issue on 2/12/2022 and were signed on its behalf by:



M A Bate - Director

The notes form part of these financial statements

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Statement of Changes in Equity  
for the year ended 31 December 2021**

	Called up share capital £	Retained earnings £	Other reserves £	Total equity £
<b>Balance at 1 January 2020</b>	100,000	(132,367)	(139,068)	(171,435)
<b>Changes in equity</b>				
Profit for the year	-	353,380	-	353,380
Other comprehensive income	-	(773,055)	-	(773,055)
<b>Total comprehensive income</b>	-	(419,675)	-	(419,675)
<b>Balance at 31 December 2020</b>	100,000	(552,042)	(139,068)	(591,110)
<b>Changes in equity</b>				
Profit for the year	-	344,568	-	344,568
Other comprehensive income	-	1,183,860	-	1,183,860
<b>Total comprehensive income</b>	-	1,528,428	-	1,528,428
<b>Balance at 31 December 2021</b>	100,000	976,386	(139,068)	937,318

The notes form part of these financial statements

**Notes to the Financial Statements  
for the year ended 31 December 2021**

**1. STATUTORY INFORMATION**

KraussMaffei Group UK Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

**2. ACCOUNTING POLICIES**

**Basis of preparation**

The financial statements 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, and in accordance with the Companies Act 2006. In preparing these financial statements, the Company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the UK (UK-adopted international accounting standards), but makes amendments where necessary in order to comply with the Companies Act 2006 and to take advantage of FRS 101 disclosure exemptions.

On 31 December 2020, EU-adopted IFRS was brought into UK law and became UK-adopted international accounting standards, with future changes to IFRS being subject to endorsement by the UK Endorsement Board. In preparing these financial statements in accordance with FRS 101, the Company Financial Statements transitioned to UK-adopted international accounting standards (as described above) on 1 January 2021. There is no impact on recognition, measurement or disclosure in the period reported as a result of this change.

**Going concern**

The financial statements have been prepared on the going concern basis on the grounds that the directors have received a commitment from the parent company Krauss Maffei Technologies GmbH that they will continue to provide the company with financial support to enable the company to continue its operations and to meet its financial obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements.

**Financial assets**

The company classifies its financial assets in the following categories:

- Amortised cost

The classification depends on the purpose for which the financial assets were acquired i.e. the entity's business model for managing the financial assets and/or the contractual cash flow characteristics of the financial asset.

Regular way purchases and sales of financial assets are recognised on trade date, being the date on which the group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all the risks and rewards of ownership.

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

**Financial assets at amortised cost**

The company classifies its financial assets as at amortised cost only if both of the following criteria are met (and are not designated as FVTPL):

- The asset is held within a business model whose objective is to collect the contractual cash flows;
- and
- The contractual terms of the financial asset give rise to cash flows that are solely payments of principal and interest.

Subsequent to initial recognition these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other (expenses)/income together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the profit or loss under 'net impairment losses on financial and contract assets'.

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 101 "Reduced Disclosure Framework":

- the requirements of paragraphs 45(b) and 46 to 52 of IFRS 2 Share-based Payment;
- the requirement in paragraph 38 of IAS 1 Presentation of Financial Statements to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D and 111 of IAS 1 Presentation of Financial Statements;
- the requirements of paragraphs 134 to 136 of IAS 1 Presentation of Financial Statements;
- the requirements of IAS 7 Statement of Cash Flows;
- the requirements of paragraphs 30 and 31 of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors;
- the requirements of paragraphs 17 and 18A of IAS 24 Related Party Disclosures;
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group.

**Revenue**

Revenue consists of sales of equipment, together with spare parts, service and hire charges and commission (excluding value added tax).

To determine whether to recognise revenue, the company follows a five step process as follows:

1. Identifying the contract with the customer
2. Identifying the performance obligations
3. Determining the transaction price
4. Allocating the transaction price to the performance obligations
5. Recognising revenue when/as performance obligation(s) are satisfied

Revenue is measured at transaction price, stated net of VAT and other sales related taxes.

Sale of spare parts

Contracts with customers take the form of customer orders. There is one distinct performance obligation, being the supply of the agreed spare part. The transaction price is clearly identified on the order. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised goods to its customers, i.e. when control has passed from the Company to the customer. This tends to be on delivery of the products to the customer's location.

Servicing activity

Contracts with customers take the form of customer orders. There is one distinct performance obligation, being the servicing of the customer's machine. The transaction price is clearly identified on the order. Revenue is recognised at a point in time when the Company has completed the service and satisfied the performance obligation.

Sales of equipment

The company receives commission from its fellow group companies in respect of the sale of machines into the UK market. The transaction price is a set commission percentage and is recognised at a point in time when the machine is successfully installed at the customers' site.

Where machines are subject to a performance guarantee, the company does not recognise the sales until the guarantee has been satisfied.

**Tangible fixed assets**

Tangible assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is provided on all tangible assets, other than freehold land, at rates calculated to write off the cost, less estimated residual value based on prices prevailing at the date of acquisition or revaluation, of each asset evenly over its expected useful life, as follows:

Freehold land and buildings - 2.5% on cost

Fixtures and fittings - 10.5%-33% on cost

Plant and equipment (which includes computer equipment and cranes) - 5-33% on cost

The carrying values of tangible assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Taxation**

Tax represents the sum of the tax currently payable or receivable and deferred tax.

**(i) Current tax**

Current taxes are based on the results shown in the financial statements and are calculated according to local tax rules, using tax rates enacted or substantively enacted by the balance sheet date.

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities.

**(ii) Deferred tax**

Deferred tax is provided, using the liability method, on all temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

**Foreign currencies**

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All differences are taken to the profit and loss account.

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

**Leases**

In these financial statements the company has, with effect from 1 January 2019, adopted IFRS 16.

Leases

The Company applies IFRS 16 to account for leases. At the inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to restore the underlying asset, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liabilities.

The lease liability is initially measured at the present value of lease payments that were not paid at the commencement date, discounted using the Company's incremental borrowing rate.

The lease liability is measured at amortised cost using the effective interest method. If there is a remeasurement of the lease liability, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded directly in profit or loss if the carrying amount of the right of use asset is zero.

The company presents right-of-use assets in a separate category in the balance sheet and the movement during the year is analysed in Note 15.

Short term leases and low value assets

The Company has elected not to recognise right-of-use assets and lease liabilities for short-term lease of assets that have a lease term of 12 months or less or leases of low value assets. These lease payments are expensed on a straight-line basis over the lease term.

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

**Pensions**

The Group operates a defined benefit pension scheme which requires contributions to be made to a separately administered fund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligations) and is based on actuarial advice. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement or a curtailment occurs the change in the present value of the scheme liabilities and the fair value of the plan assets reflects the gain or loss which is recognised in the profit and loss account. Losses are measured at the date that the employer becomes demonstrably committed to the transaction and gains when all parties whose consent is required are irrevocably committed to the transaction.

The interest element of the defined benefit cost represents the change in present value of scheme obligations relating from the passage of time and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The expected return on plan assets is based on an assessment made at the beginning of the year of long-term market returns on scheme assets, adjusted for the effect on the fair value of plan assets of contributions received and benefits paid during the year. The difference between the expected return on plan assets and the interest cost is recognised in the income statement as other finance income or expense.

Actuarial gains and losses are recognised in full in the statement of comprehensive income in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises the total for each plan of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds that have been rated at AA or equivalent status), less any past service cost not yet recognised and less the fair-value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published bid price. The value of a net pension benefit asset is limited to the amount that may be recovered either through reduced contributions or agreed refunds from the scheme. The scheme is in line with IAS 19.

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**Provisions**

Provisions for warranties are recognised where: the company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits 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 is 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.

**Government grants**

Government grants in respect of the Coronavirus Job Retention Scheme are recognised within the Income Statement on an accruals basis.

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

2. ACCOUNTING POLICIES - continued

**Accounting estimates and judgements**

In the preparation of historical financial information the directors, in applying the accounting policies of the company, make some judgements and estimates that effect the reported amounts in the historical financial information. Both the present value of future pension obligations and the warranty provision above are the main areas where judgement and accounting estimates could significantly affect the financial statements.

**Pensions**

The company has obligations to pay pension benefits to certain employees. The cost of these benefits and the present value of the obligation depend on a number of factors, including: life expectancy, salary increases, asset valuations and the discount rate on corporate bonds. Management estimates these factors in determining the net pension obligation in the balance sheet. The assumptions reflect historical experience and current trends. For details of assumptions adopted, see note 19.

**Warranty provisions**

The calculation of warranty provisions includes estimates of future costs to be incurred in rectifying the issue with the customer, which are based on estimates and judgements of the likely extent and cost of remedial work.

**Recognition of deferred tax assets**

The extent to which deferred tax assets can be recognised is based on an assessment of the probability that future taxable income will be available against which the deductible temporary differences. In addition, significant judgement is required in assessing the impact of any legal or economic limits or uncertainties in the recognition of the asset.

3. REVENUE

The revenue and profit before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

	2021 £	2020 £
United Kingdom	7,206,230	7,746,816
Rest of Europe	2,285,431	2,238,179
	<u>9,491,661</u>	<u>9,984,995</u>

4. EMPLOYEES AND DIRECTORS

	2021 £	2020 £
Wages and salaries	2,547,349	2,484,489
Social security costs	252,720	255,970
Other pension costs - defined contribution	155,074	158,822
Pension costs - defined benefit	79,000	79,000
	<u>3,034,143</u>	<u>2,978,281</u>

The average number of employees during the year was as follows:

	2021	2020
Sales and service	31	33
Administration and management	11	11
	<u>42</u>	<u>44</u>

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

5. DIRECTORS' EMOLUMENTS

	2021 £	2020 £
Remuneration	130,083	244,335
Pension contributions	18,200	24,237
	<u>148,283</u>	<u>268,572</u>
Highest paid director		
	2021 £	2020 £
Remuneration	130,083	134,660
Pension contributions	18,200	17,727
	<u>148,283</u>	<u>152,387</u>

There was one director in the company's pension scheme (2020: two until May 2020, only one for the remainder of the year).

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021 £	2020 £
Interest received/expense	58	2,035
Foreign exchange (gains)/losses	7,451	(22,526)
Interest on lease liabilities	5,350	16,435
Net interest on pension scheme	55,000	69,250
	<u>67,859</u>	<u>65,194</u>

7. PROFIT BEFORE TAXATION

	2021 £	2020 £
Cost of inventories recognised as expense	4,290,254	4,384,216
Auditors' remuneration - Audit of the financial statements	15,250	15,500
Depreciation of owned tangible fixed assets	73,476	102,195
Depreciation of right of use assets	204,894	215,647
Profit on disposal of fixed assets	(18,258)	(30,309)

8. TAXATION

Analysis of tax expense		
	2021 £	2020 £
Current tax:		
Tax	18,857	44,357
Overprovision in prior year	(54,264)	-
Total current tax	<u>(35,407)</u>	<u>44,357</u>
Deferred tax	79,000	57,380
Total tax expense in income statement	<u>43,593</u>	<u>101,737</u>

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

8. TAXATION - continued

Factors affecting the tax expense

The tax assessed for the year is lower (2020 - higher) than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 £	2020 £
Profit before income tax	<u>388,161</u>	<u>455,117</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	73,751	86,472
Effects of:		
Pension scheme	-	767
Expenses not deductible for tax purposes	3,483	4,559
Adjustment in respect of prior periods	(54,264)	(1,643)
Deferred tax not recognised	1,663	11,582
CT rate change	<u>18,960</u>	<u>-</u>
Tax expense	<u>43,593</u>	<u>101,737</u>

Tax effects relating to effects of other comprehensive income

	Gross £	Tax £	2021 Net £
Actuarial gain/(loss) on pension	1,238,000	-	1,238,000
Deferred tax on actuarial gain/(loss)	<u>(54,140)</u>	<u>-</u>	<u>(54,140)</u>
	<u>1,183,860</u>	<u>-</u>	<u>1,183,860</u>
	Gross £	Tax £	2020 Net £
Actuarial profit/(loss) on pension	(998,000)	-	(998,000)
Deferred tax on actuarial profit/(loss)	<u>224,945</u>	<u>-</u>	<u>224,945</u>
	<u>(773,055)</u>	<u>-</u>	<u>(773,055)</u>

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2021**

**8. TAXATION - continued**

**Deferred tax asset**

	2021 £	2020 £
Deferred tax asset	675,500	808,640
		Deferred tax £
At 1 January 2021 including deferred tax on defined benefit pension liability		808,640
Charge to the profit and loss for the year (note 8)		(79,000)
Debit to other comprehensive income		(309,500)
Due to change in rate - charged to other comprehensive income		255,360
At 31 December 2021 including deferred tax on defined benefit pension liability		675,500

The deferred tax asset is made up as follows:

	2021 £	2020 £
Relating to the defined benefit pension liability	675,500	808,640

In the Spring Budget 2021, the UK Government announced that from 1 April 2023 the corporation tax rate would increase to 25% (rather than remaining at 19%, as previously enacted). This new law was substantively enacted on 24 May 2021. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

**9. TANGIBLE FIXED ASSETS**

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	ROU assets £	Totals £
<b>COST</b>					
At 1 January 2021	1,160,854	458,609	219,827	872,669	2,711,959
Additions	-	66,949	3,665	-	70,614
Disposals	-	(82,150)	(5,028)	-	(87,178)
At 31 December 2021	1,160,854	443,408	218,464	872,669	2,695,395
<b>DEPRECIATION</b>					
At 1 January 2021	598,467	278,587	146,025	434,383	1,457,462
Charge for year	23,103	36,483	13,890	204,894	278,370
Eliminated on disposal	-	(21,906)	(4,329)	-	(26,235)
At 31 December 2021	621,570	293,164	155,586	639,277	1,709,597
<b>NET BOOK VALUE</b>					
At 31 December 2021	539,284	150,244	62,878	233,392	985,798
At 31 December 2020	562,387	180,022	73,802	438,286	1,254,497

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2021**

**10. STOCKS**

	2021 £	2020 £
Spares stock	177,647	204,994
Work in progress	100,493	49,853
Goods in transit	216,336	191,137
	<u>494,476</u>	<u>445,984</u>

There is no significant difference between the replacement costs of stocks and their carrying amounts. Stocks are stated after provision for impairment of £97,627 (2020: £201,855).

**11. DEBTORS**

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,655,658	2,319,597
Amounts owed by group undertakings	2,141,959	742,060
Tax	33,844	-
Prepayments & accrued income	87,169	131,689
	<u>3,918,630</u>	<u>3,193,346</u>
Amounts falling due after more than one year:		
Deferred tax asset	675,500	808,640
	<u>675,500</u>	<u>808,640</u>
Aggregate amounts	<u>4,594,130</u>	<u>4,001,986</u>

Amounts owed from group undertakings are unsecured, interest free and repayable on demand. Trade debtors are stated after provisions for impairment of £Nil (2020: £34,961).

**12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021 £	2020 £
Leases (see note 14)	165,671	214,871
Payments on account	665,286	75,228
Trade creditors	144,461	217,261
Amounts owed to group undertakings	669,313	409,047
Tax	-	46,000
Social security & other taxes	112,111	110,184
VAT	260,962	283,834
Accruals & deferred income	288,514	259,511
	<u>2,306,318</u>	<u>1,615,936</u>

Amounts owing to group undertakings are unsecured, interest free and repayable on demand.

**13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021 £	2020 £
Leases (see note 14)	<u>65,461</u>	<u>233,250</u>

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

14. FINANCIAL LIABILITIES - BORROWINGS

	2021 £	2020 £
Current:		
Leases (see note 15)	<u>165,671</u>	<u>214,871</u>
Non-current:		
Leases (see note 15)	<u>65,461</u>	<u>233,250</u>

Terms and debt repayment schedule

	1 year or less £	1-2 years £	2-5 years £	Totals £
Leases	<u>165,671</u>	<u>57,275</u>	<u>8,186</u>	<u>231,132</u>

15. LEASING

Right-of-use assets

Tangible fixed assets

Motor vehicle leases:

	2021 £	2020 £
<b>COST</b>		
At 1 January 2021	<u>872,669</u>	<u>872,669</u>
<b>DEPRECIATION</b>		
At 1 January 2021	434,383	218,736
Charge for year	<u>204,894</u>	<u>215,647</u>
	<u>639,277</u>	<u>434,383</u>
<b>NET BOOK VALUE</b>	<u>233,392</u>	<u>438,286</u>

The depreciation charge is presented within administrative expenses in the Income Statement. Any expense for short term and low-value leases is not material and has not been presented.

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

15. LEASING - continued

Lease liabilities

The contractual maturity of lease liabilities is set out below:

	2021
Maturity analysis - contractual undiscounted cash flows	
Less than one year	170,070
More than one year, less than two years	58,559
More than two years, less than three years	22,230
More than three years, less than four years	965
More than four years, less than five years	.
More than five years	.
	<u>251,824</u>
Impact of discounting	(20,592)
Total discounted lease liabilities at year end	<u>231,232</u>
Lease liabilities included in the balance sheet:	
Current	165,671
Non-current	65,461
	<u>231,232</u>

16. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Other provisions	<u>94,448</u>	<u>219,776</u>
		Warranty
		Provision
		£
Balance at 1 January 2021		219,776
Provided during year		10,405
Utilised during year		(135,733)
Balance at 31 December 2021		<u>94,448</u>

A provision is recognised for expected warranty claims on products sold during the last 3 years and it is expected that most of these costs will be incurred over the next 18 months.

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2021	2020
			£	£
100,000	Ordinary	£1	<u>100,000</u>	<u>100,000</u>

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2021**

**18. RESERVES**

	Retained earnings £	Other reserves £	Totals £
At 1 January 2021	(552,042)	(139,068)	(691,110)
Profit for the year	344,568		344,568
Actuarial profit/(loss) on pension scheme	1,238,000	-	1,238,000
Deferred taxation on actuarial profit/(loss)	(54,140)	-	(54,140)
At 31 December 2021	<u>976,386</u>	<u>(139,068)</u>	<u>837,318</u>

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

19. EMPLOYEE BENEFIT OBLIGATIONS

The company operates a defined benefit, final salary pension scheme under the Pensions Act 2004 where members receive benefits based on their final salary, the Krauss Maffei (UK) Limited Pension Fund.

The pension fund was closed in January 2009, no changes since year end. The plan also provides benefits to spouses/dependants in the event of members' death before or after retirement.

A full actuarial valuation of the scheme was carried out as at 1 January 2017, which has been updated to 31 December 2021 by a qualified independent actuary. Trustees have responsibility for the governance of the plan.

Overall expected rates of return are established by applying published brokers' forecasts to each category of scheme assets. There have been no plan amendments, curtailments or settlements during the year.

Pension contributions of £450,000 were made in the period to 31 December 2021 (2020: £450,000) and are in line with the schedule of contributions dated 29 March 2021. Contributions expected to be paid to the scheme during the annual period following the year ended 31 December 2021 is £450,000 (2020:- £450,000).

The major assumptions used by the actuary were:

	2021 %	2020 %	2019 %
Inflation (RPI)	3.50	3.15	2.95
Rate of increase for pensions in payment and deferred pension			
Until 01.07.03	3.40	3.05	2.85
From 01.07.03	3.40	3.05	2.85
Discount rate	1.90	1.35	2.05

Demographic assumption:

	2021 £	2020 £
Assumed life expectancy in years on retirement at 65		
Retiring today:		
Males	21.40	21.40
Females	23.50	23.40
Retiring in 25 years:		
Males	22.80	22.80
Females	25.00	24.90

The mortality tables are S2PACMI 2020 (1%) for 2021 and S2PACMI2019 (1%) for 2020.

The main categories of scheme assets as a percentage of total assets are as follows:

	2021 %	2020 %
Equities/Property	43.53	38.46
Bonds	4.31	5.46
Cash	11.60	8.96
Liability Driven Investments	40.56	47.12
	100.00	100.00

The amounts recognised in the balance sheet are:

	2021 £	2020 £
Fair value of scheme assets	6,398,000	5,444,000
Present value of scheme liabilities	(9,100,000)	(9,700,000)
Deficit in the scheme	(2,702,000)	(4,256,000)

Notes to the Financial Statements - continued  
for the year ended 31 December 2021

Changes in the present value of the defined benefit liability are as follows:

	2021 £	2020 £
At 1 January	9,700,000	8,300,000
Current service cost	79,000	79,000
Interest cost	130,000	169,000
Actuarial (gain)/loss	(612,000)	1,329,000
Benefits paid	(118,000)	(98,000)
Administrative expenses paid	(79,000)	(79,000)
At 31 December	9,100,000	9,700,000

Changes in fair value of the scheme assets are as follows:

	2021 £	2020 £
At 1 January	5,444,000	4,740,000
Expected return	75,000	100,000
Actuarial gain	626,000	331,000
Employer contributions	450,000	450,000
Benefits paid	(118,000)	(98,000)
Administrative expenses paid	(79,000)	(79,000)
At 31 December	6,398,000	5,444,000

The total return on plan assets was £701,000 (2020: £431,000)

Analysis of amounts charged to operating costs:

	2021 £	2020 £
Current service costs	79,000	79,000
	79,000	79,000

Analysis of amounts charged to interest payable and similar expenses:

	2021 £	2020 £
Expected return on pension scheme assets	75,000	100,000
Interest on pension scheme liabilities	(130,000)	(169,000)
	(55,000)	(69,000)

**KraussMaffei Group UK Limited (Registered number: 00992565)**

**Notes to the Financial Statements - continued  
for the year ended 31 December 2021**

Analysis of amounts recognised in the Statement of comprehensive income:

The movement in the Scheme's net liabilities is as follows:

	2021 £	2020 £	2019 £	2018 £	2017 £
Actual return less estimates return on pension scheme assets	626,000	331,000	447,000	(349,000)	280,000
Experience gains and losses on scheme liabilities	612,000	(1,329,000)	(538,000)	1,149,000	(23,000)
Changes in assumption underlying the present value of the scheme liabilities	-	-	-	-	-
Actuarial gain/(loss) recognised in the OCI	1,238,000	(998,000)	(91,000)	800,000	257,000

The movement in the Scheme's net liabilities during the year is as follows:

	2021 £	2020 £
At 1 January	(4,256,000)	(3,560,000)
Movement in year:		
Current service cost	(79,000)	(79,000)
Contributions paid by employer	450,000	450,000
Actuarial gain/(loss)	1,238,000	(998,000)
Finance charge	(55,000)	(69,000)
At 31 December	(2,702,000)	(4,256,000)

Cumulative actuarial gains and losses recognised in equity are as follows:

	2021 £	2020 £
At 1 January	(4,273,000)	(3,275,000)
Net actuarial gain/(loss) recognised in the year	1,238,000	(998,000)
At 31 December	(3,035,000)	(4,273,000)

The company operates a defined contribution scheme.

	2021 £	2020 £
Pension contributions	155,074	158,822

**20. ULTIMATE PARENT UNDERTAKING AND CONTROLLING PARTY**

The directors consider the ultimate parent undertaking and controlling party to be China National Chemical Corporation (ChemChina), a company registered and incorporated in China.

The immediate parent undertaking for which group financial statements are drawn up and of which the company is a member is KraussMaffei Technologies GmbH. Copies of the financial statements can be obtained from:

Krauss Maffei Financial Services GmbH  
FC3  
Krauss-Maffei-Str.2  
80997 Munchen  
Germany  
29