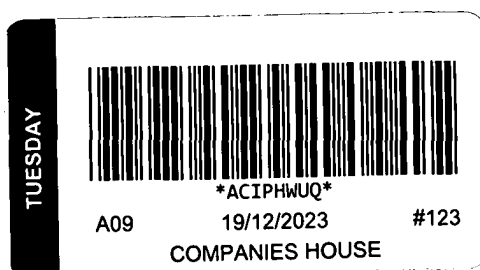


REGISTERED NUMBER: 00992565 (England and Wales)

**Strategic Report, Report of the Directors and
Financial Statements
for the Year Ended 31 December 2022
for
KraussMaffei Group UK Limited**



KraussMaffei Group UK Limited (Registered number: 00992565)

**Contents of the Financial Statements
for the year ended 31 December 2022**

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KraussMaffei Group UK Limited

**Company Information
for the year ended 31 December 2022**

DIRECTORS:

M Bauer
F N Morales
B Albrecht

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 2022**

The directors present their strategic report for the year ended 31 December 2022.

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.

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.

During the previous financial year, the company disposed of all assets and associated liabilities for one of its major business lines, Netstal. This was presented as a discontinued operation in the comparative information.

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.

| | 2022 | 2021 | Change |
|--------------------------------------|------------|------------|--------|
| | £ | £ | % |
| Revenue | 8,693,781 | 9,491,661 | -8% |
| (Loss)/Profit for the financial year | (538,714) | 344,568 | -340% |
| Orders received | 10,000,000 | 19,910,000 | -50% |

KraussMaffei Group UK Limited (Registered number: 00992565)

**Strategic Report
for the year ended 31 December 2022**

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.

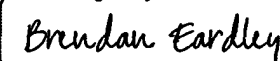
FUTURE DEVELOPMENTS

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.

ON BEHALF OF THE BOARD:

DocuSigned by:



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B Eardley - Secretary

13 December 2023

KraussMaffei Group UK Limited (Registered number: 00992565)

**Report of the Directors
for the year ended 31 December 2022**

The directors present their report with the financial statements of the company for the year ended 31 December 2022.

DIVIDENDS

The loss for the financial year ending December 2022 amounted to £538,714 (2021: profit of £344,568).
The directors do not recommend a final dividend (2021: £Nil).

DIRECTORS

M Bauer has held office during the whole of the period from 1 January 2022 to the date of this report.

Other changes in directors holding office are as follows:

T Daniel - resigned 31 December 2022
O Schulz - resigned 17 February 2022
F N Morales - appointed 26 September 2022

B Albrecht was appointed as a director after 31 December 2022 but prior to the date of this report.

M A Bate ceased to be a director after 31 December 2022 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 (2021: £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 2022**

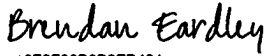
AUDITORS

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:

DocuSigned by:


B Eardley - Secretary

13 December 2023

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 2022 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 2022 and of its loss 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 evaluation 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. 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: 13 December 2021

KraussMaffei Group UK Limited (Registered number: 00992565)**Income Statement
for the year ended 31 December 2022**

| | Notes | 2022 Continuing £ | 2022 Discontinued £ | 2022 Total £ |
|--|-------|-------------------------|---------------------------|--------------------|
| REVENUE | 3 | 8,693,781 | - | 8,693,781 |
| Cost of sales | | (5,179,552) | - | (5,179,552) |
| GROSS PROFIT | | 3,514,229 | - | 3,514,229 |
| Selling expenses | | (3,070,157) | - | (3,070,157) |
| Administrative expenses | | (874,124) | - | (874,124) |
| | | (430,052) | - | (430,052) |
| Other operating income/expense | | 3,280 | - | 3,280 |
| OPERATING LOSS | | (426,772) | - | (426,772) |
| Interest receivable and similar income | | 3,433 | - | 3,433 |
| Interest payable and similar expenses | 6 | (58,586) | - | (58,586) |
| LOSS BEFORE TAXATION | 7 | (481,925) | - | (481,925) |
| Tax on loss | 8 | (56,789) | - | (56,789) |
| LOSS FOR THE FINANCIAL YEAR | | (538,714) | - | (538,714) |

The notes form part of these financial statements

KraussMaffei Group UK Limited (Registered number: 00992565)**Income Statement
for the year ended 31 December 2022**

| | Notes | 2021 Continuing £ | 2021 Discontinued £ | 2021 Total £ |
|---------------------------------------|-------|-------------------------|---------------------------|--------------------|
| REVENUE | 3 | 6,661,661 | 2,830,000 | 9,491,661 |
| Cost of sales | | (3,071,655) | (1,932,790) | (5,004,445) |
| GROSS PROFIT | | 3,590,006 | 897,210 | 4,487,216 |
| 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) |
| OPERATING PROFIT | | 291,082 | 164,938 | 456,020 |
| Interest payable and similar expenses | 6 | (67,859) | - | (67,859) |
| PROFIT BEFORE TAXATION | 7 | 223,223 | 164,938 | 388,161 |
| Tax on profit | 8 | (43,593) | - | (43,593) |
| PROFIT FOR THE FINANCIAL YEAR | | 179,630 | 164,938 | 344,568 |

The notes form part of these financial statements

KraussMaffei Group UK Limited (Registered number: 00992565)**Other Comprehensive Income
for the year ended 31 December 2022**

| Notes | 2022 £ | 2021 £ |
|--|------------------|------------------|
| (LOSS)/PROFIT FOR THE YEAR | (538,714) | 344,568 |
| OTHER COMPREHENSIVE INCOME | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Actuarial gain on pension | 455,000 | 1,238,000 |
| Deferred tax on actuarial gain | (113,750) | (54,140) |
| Income tax relating to items that may be reclassified subsequently to profit or loss | - | - |
| OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX | 341,250 | 1,183,860 |
| TOTAL COMPREHENSIVE INCOME FOR THE YEAR | (197,464) | 1,528,428 |

The notes form part of these financial statements

KraussMaffei Group UK Limited (Registered number: 00992565)**Balance Sheet
31 December 2022**

| | Notes | 2022 £ | 2021 £ |
|--|-------|-----------------------|-----------------------|
| FIXED ASSETS | | | |
| Owned | | | |
| Tangible assets | 9 | 723,342 | 752,406 |
| Right-of-use | | | |
| Tangible assets | 9, 15 | 241,183 | 233,392 |
| | | <u>964,525</u> | <u>985,798</u> |
| CURRENT ASSETS | | | |
| Stocks | 10 | 395,299 | 494,476 |
| Debtors | 11 | 3,303,183 | 4,594,130 |
| Cash at bank | | 17,989 | 31,141 |
| | | <u>3,716,471</u> | <u>5,119,747</u> |
| CREDITORS | | | |
| Amounts falling due within one year | 12 | (1,728,541) | (2,306,318) |
| NET CURRENT ASSETS | | <u>1,987,930</u> | <u>2,813,429</u> |
| TOTAL ASSETS LESS CURRENT LIABILITIES | | 2,952,455 | 3,799,227 |
| CREDITORS | | | |
| Amounts falling due after more than one year | 13 | (139,822) | (65,461) |
| PROVISIONS FOR LIABILITIES | 16 | (156,779) | (94,448) |
| PENSION LIABILITY | 18 | (1,916,000) | (2,702,000) |
| NET ASSETS | | <u><u>739,854</u></u> | <u><u>937,318</u></u> |
| CAPITAL AND RESERVES | | | |
| Called up share capital | 17 | 100,000 | 100,000 |
| Other reserves | | (139,068) | (139,068) |
| Retained earnings | | 778,922 | 976,386 |
| SHAREHOLDERS' FUNDS | | <u><u>739,854</u></u> | <u><u>937,318</u></u> |

The financial statements were approved by the Board of Directors and authorised for issue on 13 December 2023 and were signed on its behalf by:

DocuSigned by:

 5F09926F90B840A...

B Albrecht - Director

KraussMaffei Group UK Limited (Registered number: 00992565)**Statement of Changes in Equity
for the year ended 31 December 2022**

| | Called up share capital £ | Retained earnings £ | Other reserves £ | Total equity £ |
|------------------------------------|------------------------------------|---------------------------|------------------------|----------------------|
| Balance at 1 January 2021 | 100,000 | (552,042) | (139,068) | (591,110) |
| Changes in equity | | | | |
| Profit for the year | - | 344,568 | - | 344,568 |
| Other comprehensive income | - | 1,183,860 | - | 1,183,860 |
| Total comprehensive income | - | 1,528,428 | - | 1,528,428 |
| Balance at 31 December 2021 | 100,000 | 976,386 | (139,068) | 937,318 |
| Changes in equity | | | | |
| Deficit for the year | - | (538,714) | - | (538,714) |
| Other comprehensive income | - | 341,250 | - | 341,250 |
| Total comprehensive income | - | (197,464) | - | (197,464) |
| Balance at 31 December 2022 | 100,000 | 778,922 | (139,068) | 739,854 |

The notes form part of these financial statements

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements
for the year ended 31 December 2022****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 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.

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'.

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****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, 111 and 134 to 136 of IAS 1;
- 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 paragraph 74(b) of IAS 16;
- 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:

Right-of-use assets - over the life of the lease (between 2-4 years)

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.

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****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.

LeasesLeases

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.

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****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.

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****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 loss (2021 - profit) before taxation are attributable to the one principal activity of the company.

An analysis of revenue by geographical market is given below:

| | 2022 | 2021 |
|----------------|------------------|------------------|
| | £ | £ |
| United Kingdom | 7,104,196 | 7,206,230 |
| Rest of Europe | 1,589,585 | 2,285,431 |
| | <u>8,693,781</u> | <u>9,491,661</u> |

4. EMPLOYEES AND DIRECTORS

| | 2022 | 2021 |
|--|------------------|------------------|
| | £ | £ |
| Wages and salaries | 2,240,496 | 2,547,349 |
| Social security costs | 261,960 | 252,720 |
| Other pension costs - defined contribution | 140,312 | 155,074 |
| Pension costs - defined benefit | 71,000 | 79,000 |
| | <u>2,713,768</u> | <u>3,034,143</u> |

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

| | 2022 | 2021 |
|-------------------------------|-----------|-----------|
| Sales and service | 27 | 31 |
| Administration and management | 9 | 11 |
| | <u>36</u> | <u>42</u> |

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****5. DIRECTORS' EMOLUMENTS**

| | 2022 £ | 2021 £ |
|-----------------------|----------------|----------------|
| Remuneration | 118,771 | 130,083 |
| Pension contributions | 18,397 | 18,200 |
| | <u>137,168</u> | <u>148,283</u> |

There was 1 director in the company's pension scheme (2021: one).

6. INTEREST PAYABLE AND SIMILAR EXPENSES

| | 2022 £ | 2021 £ |
|--------------------------------|---------------|---------------|
| Interest received/expense | - | 58 |
| Foreign exchange losses | 5,757 | 7,451 |
| Interest on lease liabilities | 4,829 | 5,350 |
| Net interest on pension scheme | 48,000 | 55,000 |
| | <u>58,586</u> | <u>67,859</u> |

7. (LOSS)/PROFIT BEFORE TAXATION

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Cost of inventories recognised as expense | 4,365,972 | 4,290,254 |
| Auditors' remuneration - Audit of the financial statements | 29,000 | 15,250 |
| Auditors' remuneration - Other assurance services | 2,000 | - |
| Depreciation of owned tangible fixed assets | 79,823 | 73,476 |
| Depreciation of right of use assets | 178,456 | 204,894 |
| Profit on disposal of fixed assets | - | (18,258) |
| Exchange losses | 5,757 | 7,451 |

8. TAXATION**Analysis of tax expense**

| | 2022 £ | 2021 £ |
|---------------------------------------|-----------------|-----------------|
| Current tax: | | |
| Tax | - | 18,857 |
| Overprovision in prior year | (25,961) | (54,264) |
| Total current tax | <u>(25,961)</u> | <u>(35,407)</u> |
| Deferred tax | <u>82,750</u> | <u>79,000</u> |
| Total tax expense in income statement | <u>56,789</u> | <u>43,593</u> |

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****8. TAXATION - continued****Factors affecting the tax expense**

The tax assessed for the year is higher (2021 - lower) than the standard rate of corporation tax in the UK. The difference is explained below:

| | 2022 £ | 2021 £ |
|---|------------------|----------------|
| (Loss)/profit before income tax | <u>(481,925)</u> | <u>388,161</u> |
| (Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%) | (91,566) | 73,751 |
| Effects of: | | |
| Losses not recognised | 141,889 | - |
| Expenses not deductible for tax purposes | 14,874 | 3,483 |
| Adjustment in respect of prior periods | (25,961) | (54,264) |
| Income not taxable | (2,307) | - |
| Tax rate changes | 19,860 | 18,960 |
| Deferred tax not recognised | - | 1,663 |
| Tax expense | <u>56,789</u> | <u>43,593</u> |

Tax effects relating to effects of other comprehensive income

| | Gross £ | Tax £ | 2022 Net £ |
|---------------------------------------|------------------|----------|------------------|
| Actuarial gain on pension | 455,000 | - | 455,000 |
| Deferred tax on actuarial gain | (113,750) | - | (113,750) |
| | <u>341,250</u> | <u>-</u> | <u>341,250</u> |
| | | | |
| | Gross £ | Tax £ | 2021 Net £ |
| Actuarial gain/(loss) on pension | 1,238,000 | - | 1,238,000 |
| Deferred tax on actuarial gain/(loss) | (54,140) | - | (54,140) |
| | <u>1,183,860</u> | <u>-</u> | <u>1,183,860</u> |

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****8. TAXATION - continued****Deferred tax asset**

| | 2022 £ | 2021 £ |
|---|-----------|-------------------|
| Deferred tax asset | 479,000 | 675,500 |
| | | Deferred tax £ |
| At 1 January 2022 including deferred tax on defined benefit pension liability | | 675,500 |
| Charge to the profit and loss for the year (note 8) | | (82,750) |
| Debit to other comprehensive income | | (86,450) |
| Due to change in rate - charged to other comprehensive income | | (27,300) |
| At 31 December 2022 including deferred tax on defined benefit pension liability | | 479,000 |

The deferred tax asset is made up as follows:

| | 2022 £ | 2021 £ |
|---|-----------|-----------|
| Relating to the defined benefit pension liability | 479,000 | 675,500 |

There are £196,430 (2021: £nil) of deferred assets not recognised as it is uncertain whether sufficient taxable profit will arise in the future to enable the asset to reverse.

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 £ |
|------------------------|--|-----------------------------|----------------------------------|-----------------|-------------|
| COST | | | | | |
| At 1 January 2022 | 1,160,854 | 443,408 | 218,464 | 872,669 | 2,695,395 |
| Additions | - | 29,595 | 21,164 | 186,247 | 237,006 |
| Disposals | - | - | - | (123,698) | (123,698) |
| At 31 December 2022 | 1,160,854 | 473,003 | 239,628 | 935,218 | 2,808,703 |
| DEPRECIATION | | | | | |
| At 1 January 2022 | 621,570 | 293,164 | 155,586 | 639,277 | 1,709,597 |
| Charge for year | 23,103 | 41,950 | 14,770 | 178,456 | 258,279 |
| Eliminated on disposal | - | - | - | (123,698) | (123,698) |
| At 31 December 2022 | 644,673 | 335,114 | 170,356 | 694,035 | 1,844,178 |
| NET BOOK VALUE | | | | | |
| At 31 December 2022 | 516,181 | 137,889 | 69,272 | 241,183 | 964,525 |
| At 31 December 2021 | 539,284 | 150,244 | 62,878 | 233,392 | 985,798 |

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****10. STOCKS**

| | 2022 £ | 2021 £ |
|------------------|----------------|----------------|
| Spares stock | 230,483 | 177,647 |
| Work in progress | 111,460 | 100,493 |
| Goods in transit | 53,356 | 216,336 |
| | <u>395,299</u> | <u>494,476</u> |

There is no significant difference between the replacement costs of stocks and their carrying amounts. Stocks are stated after provision for impairment of £113,685 (2021: £97,627).

11. DEBTORS

| | 2022 £ | 2021 £ |
|---|------------------|------------------|
| Amounts falling due within one year: | | |
| Trade debtors | 1,483,317 | 1,655,658 |
| Amounts owed by group undertakings | 1,244,227 | 2,141,959 |
| Tax | 34,105 | 33,844 |
| Prepayments & accrued income | 62,534 | 87,169 |
| | <u>2,824,183</u> | <u>3,918,630</u> |
| Amounts falling due after more than one year: | | |
| Deferred tax asset | <u>479,000</u> | <u>675,500</u> |
| Aggregate amounts | <u>3,303,183</u> | <u>4,594,130</u> |

Amounts owed from group undertakings are unsecured, interest free and repayable on demand. Trade debtors are stated after provisions for impairment of £Nil (2021: £Nil).

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2022 £ | 2021 £ |
|------------------------------------|------------------|------------------|
| Leases (see note 14) | 99,597 | 165,671 |
| Payments on account | 266,513 | 665,286 |
| Trade creditors | 102,160 | 144,461 |
| Amounts owed to group undertakings | 770,705 | 669,313 |
| Social security & other taxes | 89,733 | 112,111 |
| VAT | 279,029 | 260,962 |
| Accruals & deferred income | 120,804 | 288,514 |
| | <u>1,728,541</u> | <u>2,306,318</u> |

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

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

| | 2022 £ | 2021 £ |
|----------------------|----------------|---------------|
| Leases (see note 14) | <u>139,822</u> | <u>65,461</u> |

14. FINANCIAL LIABILITIES - BORROWINGS

| | 2022 £ | 2021 £ |
|----------------------|---------------|----------------|
| Current: | | |
| Leases (see note 15) | <u>99,597</u> | <u>165,671</u> |

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****14. FINANCIAL LIABILITIES - BORROWINGS - continued**

| | 2022 | 2021 |
|----------------------|----------------|---------------|
| | £ | £ |
| Non-current: | | |
| Leases (see note 15) | <u>139,822</u> | <u>65,461</u> |

Terms and debt repayment schedule

| | 1 year or less £ | 1-2 years £ | 2-5 years £ | Totals £ |
|--------|------------------------|----------------|----------------|----------------|
| Leases | <u>99,597</u> | <u>64,483</u> | <u>75,339</u> | <u>239,419</u> |

15. LEASING**Right-of-use assets****Tangible fixed assets**

Motor vehicle leases:

| | 2022 | 2021 |
|-------------------|------------------|----------|
| | £ | £ |
| COST | | |
| At 1 January 2022 | 872,669 | 872,669 |
| Additions | 186,247 | - |
| Disposals | <u>(123,698)</u> | <u>-</u> |
| | 935,218 | 872,669 |

DEPRECIATION

| | 2022 | 2021 |
|------------------------|------------------|----------------|
| | £ | £ |
| At 1 January 2021 | 639,277 | 434,383 |
| Charge for year | 178,456 | 204,894 |
| Eliminated on disposal | <u>(123,698)</u> | <u>-</u> |
| | <u>694,035</u> | <u>639,277</u> |

NET BOOK VALUE

| | 2022 | 2021 |
|--|----------------|----------------|
| | £ | £ |
| | <u>241,183</u> | <u>233,392</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.

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022****15. LEASING - continued****Lease liabilities**

The contractual maturity of lease liabilities is set out below:

| | 2022 | 2021 |
|---|----------------|----------------|
| Maturity analysis - contractual undiscounted cash flows | | |
| Less than one year | 102,312 | 170,010 |
| More than one year, less than two years | 64,483 | 58,559 |
| More than two years, less than three years | 46,265 | 22,230 |
| More than three years, less than four years | 28,121 | 965 |
| More than four years, less than five years | - | - |
| More than five years | - | - |
| | <u>241,181</u> | <u>251,764</u> |
| Impact of discounting | (1,762) | (20,632) |
| | <u>239,419</u> | <u>231,132</u> |
| Lease liabilities included in the balance sheet: | | |
| Current | 99,597 | 165,671 |
| Non-current | 139,822 | 65,461 |
| | <u>239,419</u> | <u>231,132</u> |

The incremental borrowing rate applied to the leases was 3% (2021: 3%).

16. PROVISIONS FOR LIABILITIES

| | 2022 £ | 2021 £ |
|-----------------------------|----------------|----------------------------|
| Other provisions | <u>156,779</u> | <u>94,448</u> |
| | | Warranty Provision £ |
| Balance at 1 January 2022 | | 94,448 |
| Provided during year | | 163,192 |
| Utilised during year | | (100,861) |
| Balance at 31 December 2022 | | <u>156,779</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: | 2022 £ | 2021 £ |
|---------|----------|-------------------|----------------|----------------|
| 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 2022****18. 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 2020, which has been updated to 31 December 2022 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 2022 (2021: £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 2022 is £450,000 (2021: £450,000).

The major assumptions used by the actuary were:

| | 2022 % | 2021 % | 2020 % |
|---|-----------|-----------|-----------|
| Inflation (RPI) | 3.20 | 3.50 | 3.15 |
| Rate of increase for pensions in payment and deferred pension | | | |
| Until 01.07.03 | 3.15 | 3.40 | 3.05 |
| From 01.07.03 | 3.15 | 3.40 | 3.05 |
| Discount rate | 4.75 | 1.90 | 1.35 |

Demographic assumption:

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Assumed life expectancy in years on retirement at 65 | | |
| Retiring today: | | |
| Males | 21.50 | 21.40 |
| Females | 23.50 | 23.50 |
| Retiring in 25 years: | | |
| Males | 22.90 | 22.80 |
| Females | 25.10 | 25.00 |

The mortality tables are S2PACMI 2021 (1%) for 2022 and S2PACMI 2020 (1%) for 2021.

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

| | 2022 % | 2021 % |
|------------------------------|-----------|-----------|
| Equities/Property | 17.27 | 43.53 |
| Bonds | 4.85 | 4.31 |
| Cash | 27.48 | 11.60 |
| Liability Driven Investments | 50.40 | 40.56 |
| | 100.00 | 100.00 |

The amounts recognised in the balance sheet are:

| | 2022 £ | 2021 £ |
|-------------------------------------|-------------|-------------|
| Fair value of scheme assets | 3,584,000 | 6,398,000 |
| Present value of scheme liabilities | (5,500,000) | (9,100,000) |
| Deficit in the scheme | (1,916,000) | (2,702,000) |

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

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

| | 2022 £ | 2021 £ |
|------------------------------|-------------|-----------|
| At 1 January | 9,100,000 | 9,700,000 |
| Current service cost | 71,000 | 79,000 |
| Interest cost | 172,000 | 130,000 |
| Actuarial (gain)/loss | (3,635,000) | (612,000) |
| Benefits paid | (137,000) | (118,000) |
| Administrative expenses paid | (71,000) | (79,000) |
| At 31 December | 5,500,000 | 9,100,000 |

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

| | 2022 £ | 2021 £ |
|------------------------------|-------------|-----------|
| At 1 January | 6,398,000 | 5,444,000 |
| Expected return | 124,000 | 75,000 |
| Actuarial (loss)/gain | (3,180,000) | 626,000 |
| Employer contributions | 450,000 | 450,000 |
| Benefits paid | (137,000) | (118,000) |
| Administrative expenses paid | (71,000) | (79,000) |
| At 31 December | 3,584,000 | 6,398,000 |

The total return on plan assets was loss of £3,056,000 (2021: gain of £701,000)

Analysis of amounts charged to operating costs:

| | 2022 £ | 2021 £ |
|-----------------------|-----------|-----------|
| Current service costs | 71,000 | 79,000 |
| | 71,000 | 79,000 |

Analysis of amounts charged to interest payable and similar expenses:

| | 2022 £ | 2021 £ |
|--|-----------|-----------|
| Expected return on pension scheme assets | 124,000 | 75,000 |
| Interest on pension scheme liabilities | (172,000) | (130,000) |
| | (48,000) | (55,000) |

Sensitivity analysis on the defined benefit obligation

% change in DBO for increase or decrease in assumption below:

| | 2022 | 2021 |
|---|-------|-------|
| Change in discount rate by 1% | -16% | +19% |
| Change in pension increase assumption by 1% | +11% | -9.9% |
| Increase of 1 year on the life expectancy | +3.9% | |

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, inflation rate and mortality. The sensitivity analysis presented above has been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the changes in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Analysis of amounts recognised in the Statement of comprehensive income:

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

| 2022 | 2021 | 2020 | 2019 | 2018 |
|------|------|------|------|------|
|------|------|------|------|------|

KraussMaffei Group UK Limited (Registered number: 00992565)**Notes to the Financial Statements - continued
for the year ended 31 December 2022**

| | £ | £ | £ | £ | £ |
|--|-------------|-----------|-------------|-------------|-----------|
| Actual return less estimates return on pension scheme assets | (3,180,000) | 626,000 | 331,000 | 447,000 | (349,000) |
| Experience gains and losses on scheme liabilities | (465,000) | 112,000 | (1,400,000) | (1,100,000) | 49,000 |
| Changes in assumption underlying the present value of the scheme liabilities | 4,100,000 | 500,000 | 71,000 | 562,000 | 1,100,000 |
| Actuarial gain/(loss) recognised in the OCI | 455,000 | 1,238,000 | (998,000) | (91,000) | 800,000 |

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

| | 2022 £ | 2021 £ |
|--------------------------------|-------------|-------------|
| At 1 January | (2,702,000) | (4,256,000) |
| Movement in year: | | |
| Current service cost | (71,000) | (79,000) |
| Contributions paid by employer | 450,000 | 450,000 |
| Actuarial gain/(loss) | 455,000 | 1,238,000 |
| Finance charge | (48,000) | (55,000) |
| At 31 December | (1,916,000) | (2,702,000) |

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

| | 2022 £ | 2021 £ |
|--|-------------|-------------|
| At 1 January | (3,035,000) | (4,273,000) |
| Net actuarial gain/(loss) recognised in the year | 455,000 | 1,238,000 |
| At 31 December | (2,580,000) | (3,035,000) |

The company operates a defined contribution scheme.

| | 2022 £ | 2021 £ |
|-----------------------|-----------|-----------|
| Pension contributions | 140,312 | 155,074 |

19. 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. This is the largest group into which the company's results are consolidated.

The immediate parent undertaking, and smallest group 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
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