

Company Registration No. 01185700 (England and Wales)

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

COMPANY INFORMATION

Directors	N Flowers G Liebig
Company number	01185700
Registered office	Accent House Triangle Business Park Wendover Road Stoke Mandeville Buckinghamshire HP22 5BL
Auditors	Harwood Hutton 22 Wycombe End Beaconsfield Buckinghamshire HP9 1NB

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

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SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be the sale of machinery and ancillary equipment, and the provision of technical services, for the plastics processing industry.

Results and dividends

The results for the year are set out on page 7.

The company is exempt from the requirement to prepare a strategic report.

Review of Development and Performance

For 2020 the company focus remains unchanged and focused on two key sectors – Packaging and Precision. Despite the impact of COVID-19, the overall market remained stable, driven mainly by the Packaging and Medical sectors, although there is continued increasing competition from China and the Far East. Over the year the company has continued to consolidate its position as supplier of high quality and performing machines.

Principal Risks and Uncertainties

The directors acknowledge that they have responsibility for the Company's systems of internal control and risk management and for monitoring their effectiveness. The purposes of these systems are to manage, rather than eliminate, the risk of failure to achieve business objectives, to provide reasonable assurance as to the quality of management information and to maintain proper control over the income, expenditure, assets and liabilities of the Company.

No system of control can, however, provide absolute assurance against material misstatement or loss. Accordingly, the directors have regard to what controls, in their judgement, are appropriate to the Company's business and to the relative costs and benefits of implementing specific controls.

The main financial risks that the Company could face have been considered by the directors. These cover areas such as Client Base, IT, Financial Management and Controls, Staff and Supplier Management.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

N Flowers
G Liebig

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Going concern

The Company continues to be profitable, making £138k profit before tax for the financial year, (2019: £104k) and has Net Current Assets of £2.8m (2019: £2.7m). Due to this the directors have adopted the going concern basis in preparing these accounts after assessing the principal risks and uncertainties including the impact of a severe but plausible downside scenario due to both Brexit and COVID-19.

While COVID-19 may have prevented some commercial activities during 2020, the machine market remains robust. The company has a long track record of sustained profitability and growth and is underpinned by long term relationships with customers across different geographic areas and industries. The company has a strong balance sheet with significant levels of cash reserves. Credit risks have been considered carefully and due to the stable nature of the company's customer base the risk to collection of receivables has been assessed as moderate. The directors have considered the company's future cash flows, budgets and looked at all relevant factors. The company continues to monitor developments of the virus together with available government assistance where applicable. The directors considered the impact of the current COVID-19 environment on the business for the period to 31 January 2022. A severe but plausible scenario with a reduction of 10% of sales as well as mitigating actions to save costs which are all within the directors control was considered.

The Company finances its activities through its cash balances. These cash balances are held in a cash pool operated by its intermediate parent company Sumitomo (SHI) Demag Plastics Machinery GmbH ("GmbH") Under the terms of the cash pooling agreement with GmbH the Company and any other member of the cash pool may drawdown funds from GmbH. The agreement does not restrict the cash pool members to drawing down only those funds already deposited but allows cash pool members to borrow further funds from the cash pool up to GmbH's external borrowing limits. In the downside scenario described above, the Company would not need to borrow from the cash pool in excess of the cash balances deposited during the forecast period. Whilst the directors have not forecast the need for additional funding, they are not able to assess the borrowing requirements of the other cash pool members. In the event the Company cannot borrow the amounts required from the GmbH cash pool, it would instead need to rely on the support of GmbH.

Therefore, those forecasts are dependent on GmbH continuing to hold enough resources for the Company to draw down its cash requirements and if needed provide additional financial support during that period. GmbH has indicated its intention to continue to make available such funds as are needed by the Company, for the period covered by the forecasts. Having made enquiries of the directors of GmbH and assessed the financial position of the GmbH, the directors are satisfied GmbH has the ability, intent and economic rationale to continue to support the Company. As with any company placing reliance on other group entities for financial support, the directors acknowledge that there can be no certainty that this support will continue although, at the date of approval of these financial statements, they have no reason to believe that it will not do so. Consequently the directors are confident that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements and therefore have prepared the financial statements on a going concern basis.

Auditor

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

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of directors' responsibilities

The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

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

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board

N Flowers

Director

29 September 2021

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

Opinion

We have audited the financial statements of Sumitomo (SHI) Demag Plastics Machinery (UK) Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either are to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence and invoices; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud;
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations; and
- understanding the design of the company's internal processes and controls, and scrutinising them for weaknesses in design or implementation

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested material journal entries to identify unusual transactions;
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance; and
- enquiring of management as to actual and potential litigation and claims;

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Margaret El Khalidi (Senior Statutory Auditor)
For and on behalf of Harwood Hutton

29 September 2021

Chartered Accountants
Statutory Auditor

22 Wycombe End
Beaconsfield
Buckinghamshire
HP9 1NB

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £'000	2019 £'000
Turnover	2	6,577	8,274
Cost of sales		(4,365)	(5,914)
Gross profit		2,212	2,360
Administrative expenses		(2,249)	(2,160)
Other operating income		66	-
Operating profit	3	29	200
Interest receivable and similar income	7	5	5
Interest payable and similar expenses	8	104	(101)
Profit before taxation		138	104
Tax on profit	9	-	(5)
Profit for the financial year		138	99

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

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2020

		2020		2019	
	Notes	£'000	£'000	£'000	£'000
Fixed assets					
Tangible assets	10		87		87
Current assets					
Stocks	11	810		564	
Debtors	12	3,281		3,910	
		<u>4,091</u>		<u>4,474</u>	
Creditors: amounts falling due within one year	13	<u>(1,266)</u>		<u>(1,787)</u>	
Net current assets			2,825		2,687
Total assets less current liabilities			2,912		2,774
Provisions for liabilities					
Provisions	14	5		5	
Deferred tax liability	15	<u>13</u>		<u>13</u>	
			<u>(18)</u>		<u>(18)</u>
Net assets			2,894		2,756
Capital and reserves					
Called up share capital	17		50		50
Profit and loss reserves			<u>2,844</u>		<u>2,706</u>
Total equity			<u>2,894</u>		<u>2,756</u>

The financial statements were approved by the board of directors and authorised for issue on 29 September 2021 and are signed on its behalf by:

N Flowers
Director

Company Registration No. 01185700

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital	Profit and loss reserves	Total
	£'000	£'000	£'000
Balance at 1 January 2019	50	2,607	2,657
Year ended 31 December 2019:			
Profit and total comprehensive income for the year	-	99	99
	<u>50</u>	<u>2,706</u>	<u>2,756</u>
Balance at 31 December 2019	50	2,706	2,756
Year ended 31 December 2020:			
Profit and total comprehensive income for the year	-	138	138
	<u>50</u>	<u>2,844</u>	<u>2,894</u>
Balance at 31 December 2020	<u>50</u>	<u>2,844</u>	<u>2,894</u>

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Sumitomo (SHI) Demag Plastics Machinery (UK) Limited is a private company limited by shares incorporated in England and Wales. The registered office and the principal place of business is Accent House, Triangle Business Park, Wendover Road, Stoke Mandeville, Buckinghamshire, HP22 5BL.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are presented in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues in respect of financial instruments not falling within the fair value accounting rules of Paragraph 36(4) of Schedule 1
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Sumitomo Heavy Industries Ltd. These consolidated financial statements are available from its registered office, ThinkPark Tower, 1-1 Osaki 2-chome, Shinagawa-ku, Tokyo 141-6025, Japan.

1.2 Turnover

Turnover is measured at the fair value of the consideration received or receivable for the sale of goods and the rendering of services in the normal course of business, and is shown net of discounts and VAT.

Sale of goods

Revenue arises from the sale of machinery, parts and ancillary equipment.

Customer deposits for machinery sales represent unearned revenue and are initially recorded as liabilities until the customer accepts delivery of the goods, at which point revenue from machinery sales is recognised.

Sales of parts and ancillary equipment are recognised when the customer accepts delivery of the goods.

Rendering of services

Revenue arises from the provision of services ancillary to the provision of machinery, parts and related equipment. Revenue from the provision of services is recognised at the point the service is provided.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	10-50% straight line
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The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.4 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.5 Stocks

Stocks are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

In determining the cost of raw materials, consumables and goods purchased for resale, the weighted average purchase price is used. For work in progress and finished goods, cost is taken as production cost, which includes an appropriate proportion of attributable overheads.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 "Basic Financial Instruments" to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Basic financial assets

Short term debtors are measured at transaction price less any provision for impairment. Loans receivable are measured initially at fair value, net of transaction costs and are subsequently carried at amortised costs using the effective interest method, less any provision for impairment.

Basic financial liabilities

Short term creditors are measured at transaction price. Other financial liabilities, including bank loans and other loans, are measured initially at fair value, net of transaction costs and are subsequently carried at amortised costs using the effective interest method.

1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account.

1.8 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

1.9 Retirement benefits

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

1.10 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease.

1.11 Government grants

Government grants comprise amounts received or receivable under the Coronavirus Job Retention Scheme (CJRS). These receipts are recognised as income over the periods when the related costs are incurred.

1.12 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Turnover and other revenue

	2020 £'000	2019 £'000
Turnover analysed by geographical market		
United Kingdom	5,307	6,082
Republic of Ireland	983	1,276
Germany	191	598
Slovakia	-	164
Japan	34	65
USA	31	39
Poland	21	-
Others	10	50
	<u>6,577</u>	<u>8,274</u>

All turnover relates to the sale of goods and ancillary services.

3 Operating profit

	2020 £'000	2019 £'000
Operating profit for the year is stated after charging/(crediting):		
Government grants	(66)	-
Depreciation of owned tangible fixed assets	22	21
Operating lease charges	180	128
	<u>136</u>	<u>149</u>

4 Auditor's remuneration

	2020 £'000	2019 £'000
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	34	24
Audit of the financial statements of the company's subsidiaries	-	3
	<u>34</u>	<u>27</u>

5 Directors' remuneration

	2020 £'000	2019 £'000
Remuneration for qualifying services	133	149
Company pension contributions to defined contribution schemes	12	12
	<u>145</u>	<u>161</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

6 Employees

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

	2020 Number	2019 Number
Production and Technical	11	11
Sales and Distribution	8	7
Administrative	3	3
Total	22	21

Their aggregate remuneration comprised:

	2020 £'000	2019 £'000
Wages and salaries	1,160	1,190
Social security costs	124	144
Pension costs	75	75
	1,359	1,409

7 Interest receivable and similar income

	2020 £'000	2019 £'000
Interest income		
Other interest income	5	5

8 Interest payable and similar expenses

	2020 £'000	2019 £'000
Realised exchange loss / (gain)	(104)	101

9 Taxation

	2020 £'000	2019 £'000
Current tax		
UK corporation tax on profits for the current period	-	5

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2020 £'000	2019 £'000
Profit before taxation	138	104
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	26	20
Tax effect of expenses that are not deductible in determining taxable profit	1	4
Adjustments in respect of prior years	-	3
Deferred taxation	(27)	(22)
Taxation charge for the year	-	5

10 Tangible fixed assets

	Plant and equipment £'000
Cost	
At 1 January 2020	297
Additions	22
At 31 December 2020	319
Depreciation and impairment	
At 1 January 2020	210
Depreciation charged in the year	22
At 31 December 2020	232
Carrying amount	
At 31 December 2020	87
At 31 December 2019	87

11 Stocks

	2020 £'000	2019 £'000
Finished goods and goods for resale	810	564

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Debtors

	2020	2019
	£'000	£'000
Amounts falling due within one year:		
Trade debtors	1,582	2,339
Amounts owed by group undertakings	1,485	1,503
Other debtors	23	18
Prepayments and accrued income	191	50
	<u>3,281</u>	<u>3,910</u>
	<u><u>3,281</u></u>	<u><u>3,910</u></u>

13 Creditors: amounts falling due within one year

	2020	2019
	£'000	£'000
Trade creditors	83	95
Amounts owed to group undertakings	547	1,234
Taxation and social security	443	(40)
Other creditors	89	385
Accruals and deferred income	104	113
	<u>1,266</u>	<u>1,787</u>
	<u><u>1,266</u></u>	<u><u>1,787</u></u>

14 Provisions for liabilities

	2020	2019
	£'000	£'000
	5	5
	<u>5</u>	<u>5</u>
	<u><u>5</u></u>	<u><u>5</u></u>
Movements on provisions:		
		£'000
At 1 January 2020 and 31 December 2020		5
		<u>5</u>

A provision for guarantee claims has been recognised for expenditure arising from machine technical risks which could be incurred within one year of the balance sheet date.

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Deferred taxation

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

	Liabilities 2020 £'000	Liabilities 2019 £'000
Balances:		
Accelerated capital allowances	13	13
	<u>13</u>	<u>13</u>

There were no deferred tax movements in the year.

16 Retirement benefit schemes

	2020 £'000	2019 £'000
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	75	75
	<u>75</u>	<u>75</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

17 Share capital

	2020 Number	2019 Number	2020 £'000	2019 £'000
Ordinary share capital				
Issued and fully paid				
"A" Ordinary shares of £1 each	38,000	38,000	38	38
"B" Ordinary shares of £1 each	12,000	12,000	12	12
	<u>50,000</u>	<u>50,000</u>	<u>50</u>	<u>50</u>

Both classes of shares have equal voting rights in terms of one vote per share held. In addition, both classes of shares have equal rights in the event of a dividend, and to the assets of the company in the event of a winding up.

SUMITOMO (SHI) DEMAG PLASTICS MACHINERY (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £'000	2019 £'000
Within one year	134	109
Between two and five years	401	310
In over five years	225	300
	<u>760</u>	<u>719</u>

19 Ultimate controlling party

The Company is a subsidiary undertaking of Sumitomo (SHI) Demag Plastics Machinery GmbH, incorporated in Germany. The largest group in which the results of the company are consolidated is Sumitomo Heavy Industries, Ltd.

The consolidated financial statements of this group are available to the public and may be obtained from the group at Sumitomo Heavy Industries, Ltd, ThinkPark Tower, 1-1, Osaki 2-Chome Shinagawa-Ku, Tokyo 141-6025, Japan.

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