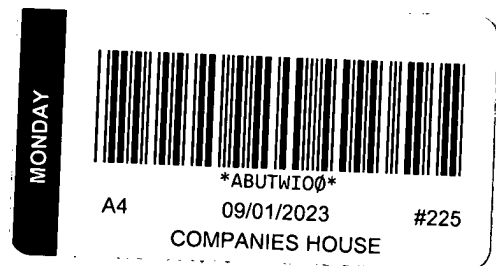


**NEDSCHROEF FASTENERS LIMITED**



**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

We wish to replace our electronic STAT Accounts

Please replace the original accounts

these are now the Statutory Accounts

they are prepared as they were at the date of

the original accounts.

**AMENDED.**

**MANAGING DIRECTOR**

**ANDREW ROBERT HARRIS**

*Andrew Harris*

# **NEDSCHROEF FASTENERS LIMITED**

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# **NEDSCHROEF FASTENERS LIMITED**

## **COMPANY INFORMATION**

<b>Directors</b>	A R Harris P J J W Raedts
<b>Registered number</b>	01945976
<b>Registered office</b>	Unit 1 Sandy Lane West Littlemore Oxford OX4 6JU United Kingdom
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors One Kingsway Cardiff CF10 3PW

# NEDSCHROEF FASTENERS LIMITED

## STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the Strategic Report of Nedschroef Fasteners Limited (the "Company") for the year ended 31 December 2021.

### Business review

The results for the year and the financial position of the Company were good considering the volatile state of flux and economic climate within the automotive industry. The net assets of the Company as at 31 December 2021 was £5,517,073 (2020: £4,860,612).

The Company's parent company, Koninklijke Nedschroef Holding BV is owned by Shanghai Prime Machinery Company (PMC).

As at the approval date of these financial statements, the Company is operating in an environment with issues on semi-conductor shortage. The Company determined that the issue will have an effect on the business but will not implement specific processes to deal with the effects but will manage the purchases of parts not to increase the inventory and running costs.

### Key performance (KPI's)

The KPI's that the directors consider in the day-to-day operation of the business are current year to budget comparisons and are inclusive of the gross revenue of the major customer. The business has been impacted by the semi-conductor shortage for months in the year. The figures below are showing the performance as if the Company were the direct principal as that is more appropriate to understanding the contribution to the overall Nedschroef group. In consideration of the changes within the automotive industry (Semi-conductors, Covid-19, movement in production, expansion of supplier base and changes in sourcing) the results are positive.

Nedschroef Fasteners Limited (the "Company") is operating as a trading company dealing with a major customer as an agent for Koninklijke Nedschroef Holding BV representing approximately 80% of the business and 20% with other own customers.

For agency turnover, the Company receives a mark-up on overhead costs incurred throughout the year. For all principal sales, turnover is recognized on delivery when title to the product passes.

	2021 Actual £	2020 Actual £	Variance £
Principal turnover	29,187,009	26,202,756	2,984,253
Turnover	7,568,870	6,566,353	1,002,517

### Principal risks, uncertainties and financial risks

The Company's operations expose it to a variety of risks. The Company has examined all major risks to its business and considers the main risks to be related to customer based credit, liquidity, exchange and reliance on a single customer.

The business is primarily based on a single contract with one major customer for which it acts as an agent. This contract has been agreed and confirmed by BMW in May 2022 and signed in July 2022 for three years with option for two year extension from August 2022. The directors believe that the business relationship is strong and will continue to be operated under revised terms of contract. Indeed, the new contract is stating the invoicing based on deliveries and no more on cost collectors. Indeed the previous contract was based on cost collectors calculated on the number of parts per car produced.

**NEDSCHROEF FASTENERS LIMITED**

**STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The principal credit risk the Company faces is that of non-payment of invoices for goods and services supplied. The Company has implemented policies that require appropriate credit checks on potential customers before sales are made and there are regular monthly credit control reviews carried out.

In order to manage liquidity risk the Company monitors the level of short term debt. A significant percentage of this debt is due to the parent undertaking, and the liquidity, foreign exchange risk on this debt is managed at a group level.

The financial statements on pages 10 to 26 were approved by the Board of Directors and signed on its behalf by:



**A R Harris**  
Director

Date: 21/12/2022

## **NEDSCHROEF FASTENERS LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021**

The directors present their annual report and the audited financial statements of Nedschroef Fasteners Limited (the "Company") for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the Company in the year under review was that of an agent for importation, exportation and supply of bolts, nuts and associated fasteners by the immediate parent company, Koninklijke Nedschroef Holding BV.

The business is recovering from the semi-conductors as the situation is less tense than in 2020 and 2021. The adverse effect on the inventory levels, cash flow and supply chain processes within the automotive industry is affecting less and the forecast from the market is showing a growth in the 2nd HY 2022.

#### **Results and dividends**

The profit for the financial year amounted to £656,461 (2020: £617,718).

The directors do not recommend the payment of a dividend for 2021 (2020: £Nil).

#### **Directors**

The directors who served during the year and up to the date of signing the financial statements, unless otherwise stated, were:

A R Harris (General Manager)

H G Neizert (Member of the Board from the parent company), resigned in March 2022

P J J W Raedts (Member of the Board from the parent company)

M Sckuhr (Member of the Board from the parent company) resigned in April 2021

#### **Qualifying third party indemnity provisions**

As permitted by the Articles of Association, the directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year directors' and officers' liability insurance in respect of itself and its directors.

#### **Going concern**

The Company is dependent for major part of its gross revenue on business conducted with one customer, for whom there is an agency contract. The pre-existing contract with this customer included automatic renewal for successive periods of one year (unless terminated by either party). The new BMW contract (signed 1 March 2016) had an initial term of five years and five months and the business relationship is strong. In July 2022 a renewal was agreed and signed for three years with option for two year extension from August 2022.

The Company received a letter of support from its immediate parent company, Koninklijke Nedschroef Holding BV, which stated that they would support the operations of the Company for a minimum of twelve months from the date of signing these financial statements. On this basis the directors have concluded that the Company remains a going concern.

#### **Political contributions**

The Company did not make a charitable donation in 2021 (2020: £Nil). No political donation was made, nor any political expenditure incurred during the year (2020: £Nil).

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**Post balance sheet events**

Nedschroef Ltd and BMW agreed on a renewal of the 5-year-contract in July 2022 with the specific point of invoicing based on deliveries and no longer based on cost collectors calculated on the number of parts per car produced.

This will trigger a new process named ASN to know the exact consumption of parts per month.

**Statement of directors' responsibilities in respect of the financial statements**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law).

Under company law, 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also 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.

**Directors' confirmations**

In the case of each director in office at the date the directors' report is approved:

- so far as the director is aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Future developments**

The Company expects to continue to operate its principal activities and does not expect any changes in the operations for the next 12 months.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2021**

The financial statements on pages 10 to 26 were approved by the Board of Directors and signed on its behalf by:

A handwritten signature in black ink, appearing to read 'A R Harris', with a stylized flourish at the end.

**A R Harris**  
Director

Date: 21/12/2022

# Independent auditors' report to the members of Nedschroef Fasteners Limited

## Report on the audit of the financial statements

### Opinion

In our opinion, Nedschroef Fasteners Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the Balance Sheet as at 31 December 2021; the Statement of Comprehensive Income and Statement of Changes in Equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

### Conclusions relating to going concern

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

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

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

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

### Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

# Independent auditors' report to the members of Nedschroef Fasteners Limited (continued)

With respect to the Strategic report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on our work undertaken in the course of the audit, the Companies Act 2006 requires us also to report certain opinions and matters as described below.

## Strategic report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic report and Directors' Report for the year ended 31 December 2021 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic report and Directors' Report.

## Responsibilities for the financial statements and the audit

### Responsibilities of the directors for the financial statements

As explained more fully in the Statement of directors' responsibilities in respect of the financial statements in respect of the financial statements, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Based on our understanding of the company and industry, we identified that the principal risks of non-compliance with laws and regulations related to the requirements of the UK tax law and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the financial statements. 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 revenue. Audit procedures performed by the engagement team included:

- enquiries of management including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- reviewing relevant meeting minutes, include those of the Board; and
- identifying and testing journal entries, in particular any journal entries posted to revenue with unusual account combinations and entries posted by unexpected users, where any such journal entries were identified.

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

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

# Independent auditors' report to the members of Nedschroef Fasteners Limited (continued)

## Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

## Other required reporting

### Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Nathan Price (Senior Statutory Auditor)

for and on behalf of PricewaterhouseCoopers LLP

Chartered Accountants and Statutory Auditors

Cardiff

Date: 21/12/2022

# NEDSCHROEF FASTENERS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 £	2020 £
Turnover	4	7,568,870	6,566,353
Cost of sales (*)		(4,471,141)	(3,855,384)
<b>Gross profit</b>		<b>3,097,729</b>	2,710,969
Distribution costs		(309,213)	(208,614)
Administrative expenses		(1,978,070)	(1,749,959)
<b>Profit before taxation</b>		<b>810,446</b>	752,396
Tax on profit	9	(153,985)	(134,678)
<b>Profit for the financial year</b>		<b>656,461</b>	617,718

The notes on pages 13 to 26 form part of these financial statements.

(\*) The salary of the staff in the warehouse has been moved from "Distribution costs" to "Cost of sales". So 2020's result has been represented accordingly.

**NEDSCHROEF FASTENERS LIMITED****REGISTERED NUMBER: 01945976****BALANCE SHEET  
AS AT 31 DECEMBER 2021**

	Note	2021 £	Restated 2020 £
<b>Fixed assets</b>			
Tangible assets	10	26,727	34,988
<b>Current assets</b>			
Stocks	11	4,345,245	3,128,603
Debtors (*)	12	9,186,413	9,600,865
Cash at bank and in hand	13	598,535	-
		<u>14,130,193</u>	<u>12,729,468</u>
Creditors: amounts falling due within one year (*)	14	<u>(8,639,847)</u>	<u>(7,903,844)</u>
<b>Net current assets</b>		<u>5,490,346</u>	<u>4,825,624</u>
<b>Total assets less current liabilities</b>		<u>5,517,073</u>	<u>4,860,612</u>
<b>Capital and reserves</b>			
Called up share capital	16	20,000	20,000
Share premium account	17	475,000	475,000
Profit and loss account	17	5,022,073	4,365,612
<b>Total shareholders' funds</b>		<u>5,517,073</u>	<u>4,860,612</u>

(\*) See note 14 for details on the restatement.

The financial statements on pages 10 to 26 were approved and authorised for issue by the board and were signed on its behalf by:



**A R Harris**  
Director

Date: 21/12/2022

The notes on pages 13 to 26 form part of these financial statements.

**NEDSCHROEF FASTENERS LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	<b>Called up share capital</b>	<b>Share premium account</b>	<b>Profit and loss account</b>	<b>Total shareholders' funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2020</b>	<b>20,000</b>	<b>475,000</b>	<b>3,747,894</b>	<b>4,242,894</b>
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	617,718	617,718
<b>At 31 December 2020 and 1 January 2021</b>	<b>20,000</b>	<b>475,000</b>	<b>4,365,612</b>	<b>4,860,612</b>
<b>Comprehensive income for the financial year</b>				
Profit for the financial year	-	-	656,461	656,461
<b>At 31 December 2021</b>	<b>20,000</b>	<b>475,000</b>	<b>5,022,073</b>	<b>5,517,073</b>

The notes on pages 13 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**1. General information**

Nedschroef Fasteners Limited ('the Company') is a company incorporated in England and Wales under the Companies Act. The Company is a private company and is limited by shares. The address of the registered office is Unit 1 Sandy Lane West, Littlemore, Oxford, OX4 6JU, United Kingdom.

The nature of the Company's operations and its principal activities is that of an agent for importation, exportation and supply of bolts, nuts and associated fasteners by the immediate parent company, Koninklijke Nedschroef Holding BV.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The financial statements have been prepared on a going concern basis, under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland (FRS 102) and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The functional currency of the Company is considered to be Pounds Sterling because that is the currency of the primary economic environment in which the Company operates.

The following principal accounting policies have been applied consistently throughout the year:

**2.2 Financial reporting standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Koninklijke Nedschroef Holding BV as at 31 December 2021 and these financial statements may be obtained from Newtonlaan 91; PO Box 85067; 3508 AB Utrecht; Netherlands.

**2.3 Turnover**

For agency turnover, the Company receives a markup on overhead costs incurred throughout the year. For all principal sales, turnover is recognised on delivery when title to the product passes.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.4 Going concern**

The Company is dependent for major part of its gross revenue on business conducted with one customer, for whom there is an agency contract. The pre-existing contract with this customer included automatic renewal for successive periods of one year (unless terminated by either party). The new BMW contract (signed 1 March 2016) had an initial term of five years and five months and the business relationship is strong. In July 2022 a renewal was agreed and signed for three years with option for two year extension from August 2022.

The Company received a letter of support from its immediate parent company, Koninklijke Nedschroef Holding BV, which stated that they would support the operations of the Company for a minimum of twelve months from the date of signing these financial statements. On this basis the directors have concluded that the Company remains a going concern.

**2.5 Tangible assets**

Tangible assets are stated at historical purchase cost net of depreciation, and provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset on a straight-line basis over its expected useful life, as follows:

Plant and machinery	-	5%
Fixtures and fittings	-	20%
Computer equipment	-	25%
Vehicles (included in plant and machinery)	-	25%

**2.6 Financial instruments**

The Company has chosen to adopt the Sections 11 and 12 of FRS 102 in respect of financial instruments.

**(i) Financial assets**

Basic financial assets, including trade debtors, amounts owned by group undertakings and cash are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Such assets are subsequently carried at amortised cost using the effective interest method.

At the end of each reporting period financial assets measured at amortised cost are assessed for objective evidence of impairment. If an asset is impaired the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

2. Accounting policies (continued)

2.6 Financial instruments (continued)

(i) *Financial assets (continued)*

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

Financial assets are derecognised when (a) the contractual rights to the cash flows from the asset expire or are settled or (b) substantially all the risks and rewards of the ownership of the asset are transferred to another party or (c) control of the asset has been transferred to another party who has the practical ability to unilaterally sell the asset to an unrelated third party without imposing additional restrictions.

(ii) *Financial liabilities*

Basic financial liabilities, including trade creditors and amounts owe to group undertakings are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Financial liabilities are derecognised when the liability is extinguished, that is when the contractual obligation is discharged, cancelled or expires.

(iii) *Offsetting*

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

2.7 Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each Balance Sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

*Non-financial assets*

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.7 Impairment of assets (continued)**

*Financial assets*

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

**2.8 Current and deferred taxation**

Current tax represents the amount expected to be paid or recovered in respect of taxable profit for the year and is calculated using the tax rates and laws that have been enacted or substantially enacted at the Balance Sheet date.

Deferred tax is provided on all timing differences that have originated but not reversed at the Balance Sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the Balance Sheet date.

Timing differences are temporary differences between profits as computed for tax purposes and profits as stated in the financial statements which arise because certain items of income and expenditure in the financial statements are dealt with in different years for tax purposes.

Deferred tax is measured at the tax rates that are expected to apply in the years in which the timing differences are expected to reverse based on tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax is not discounted.

**2.9 Stocks**

Stocks are stated at the lower of cost and net realisable value. Cost is determined on a first in, first out basis. Net realisable value is the price at which stocks can be sold in the normal course of business after allowing for the costs of realisation.

**2.10 Leasing and hire purchase commitments**

Rentals under operating leases are charged on a straight-line basis over the lease term when the property is occupied for the Company's business.

**2.11 Foreign currencies**

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated using the contracted rate or the rate of exchange ruling at the Balance Sheet date and the gains or losses on translation are included initially in the profit and loss account in the financial year in which they arise. As all foreign exchange risk is borne by the parent company so any gain or loss is transferred to the parent company at year end.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**2. Accounting policies (continued)**

**2.12 Pensions**

**Defined contribution pension plan**

Until March 2016 the Company operated a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund. The expenditure is charged to the profit and loss account in the period to which it relates. Since April 2016 the Company operates an automatic enrolment pension scheme in accordance with Government legislation. All eligible employees are duly enrolled automatically.

**2.13 Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within borrowings in current liabilities.

**2.14 Share capital**

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new ordinary shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.15 Cost of sales**

The cost of sales includes wages and salary related to people directly handling goods like warehouse workers and cost of inventory sold.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

***Critical judgements in applying the Company's accounting policies***

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

***Revenue recognition - Agent versus principal***

An agreement is in place between Nedschroef Fasteners Limited and its parent company Koninklijke Nedschroef Holding BV, whereby the risks and rewards of trading with BMW are borne by the parent company.

**4. Turnover**

An analysis of turnover by class of business is as follows:

	2021 £	2020 £
Sale of goods	5,443,112	4,115,042
Rendering of services - Agency	2,125,758	2,451,311
	<u>7,568,870</u>	<u>6,566,353</u>

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	3,312,057	2,214,606
Rest of Europe	4,256,813	4,351,747
	<u>7,568,870</u>	<u>6,566,353</u>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**5. Operating profit**

The operating profit is stated after charging:

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Operating lease rentals - Plant and machinery	<b>91,685</b>	93,117
Operating lease rentals - Land and building	<b>272,289</b>	336,208
Depreciation on tangible assets	<b>9,623</b>	13,840
	<hr/>	<hr/>

**6. Auditors' remuneration**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Fees payable to the Company's auditors for the audit of the Company's annual financial statements	<b>25,000</b>	25,000
	<hr/>	<hr/>

**Fees payable to the Company's auditors in respect of:**

Accounts preparation services	<b>-</b>	2,200
	<hr/>	<hr/>

## NEDSCHROEF FASTENERS LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

#### 7. Employees

Staff costs, including directors' remuneration, were as follows:

	2021 £	2020 £
Wages and salaries	1,063,537	939,397
Social security costs	108,607	97,204
Other pension costs	48,347	35,435
	<u>1,220,491</u>	<u>1,072,036</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2021 Number	2020 Number
Directors	1	1
Warehouse	16	16
Purchasing	5	6
Quality Control	2	3
Application Engineering	3	3
Administration	2	3
	<u>29</u>	<u>32</u>

#### 8. Directors' remuneration

	2021	2020
Aggregate director's emoluments	67,302	63,945
Company contributions to defined contribution pension schemes	2,692	2,558
	<u>69,994</u>	<u>66,503</u>

One director was remunerated through UK. The other directors are not remunerated for their qualifying services to this Company.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021

## 9. Tax on profit

	2021 £	2020 £
<b>UK corporation tax</b>		
Current tax on profits for the financial year	156,274	141,794
Adjustments in respect of prior years	1,009	(7,957)
<b>Total current tax</b>	<b>157,283</b>	<b>133,837</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,932)	1,545
Adjustments in respect of prior years	1,229	120
Changes to tax rates	(1,595)	(824)
<b>Total deferred tax</b>	<b>(3,298)</b>	<b>841</b>
<b>Total tax</b>	<b>153,985</b>	<b>134,678</b>

**Factors affecting tax charge for the year**

The tax assessed for the year is lower (2020: lower) than the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%). The differences are explained below:

	2021 £	2020 £
Profit before taxation	810,446	752,396
Profit before taxation multiplied by standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	153,985	142,955
<b>Effects of:</b>		
Expenses not deductible for tax purposes	61	384
Adjustments in respect of prior years	1,009	(7,957)
Adjustments to tax charge in respect of prior years	1,229	120
Impact of change in tax rate	(2,299)	(824)
<b>Total tax charge for the financial year</b>	<b>153,985</b>	<b>134,678</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**9. Tax on profit (continued)**

**Factors that may affect future tax charges**

In the Spring Budget 2021, the government announced that from 1 April 2023 the headline corporation tax rate will increase to 25%. On September 2022, the government announced an increase in the corporate tax main rate to 25% and the introduction of a small profit rate of tax from April 2023 (previously announced at Spring budget 2021) would no longer go ahead. The corporation tax main rate will therefore remain at 19% from April 2023.

**10. Tangible assets**

	<b>Plant and machinery £</b>	<b>Fixtures and fittings £</b>	<b>Computer equipment £</b>	<b>Total £</b>
At 1 January 2021	63,255	711,940	281,014	1,056,209
Additions	-	-	1,362	1,362
At 31 December 2021	<b>63,255</b>	<b>711,940</b>	<b>282,376</b>	<b>1,057,571</b>
<b>Accumulated depreciation</b>				
At 1 January 2021	47,219	710,856	263,146	1,021,221
Charge for the year	<b>3,204</b>	<b>496</b>	<b>5,923</b>	<b>9,623</b>
At 31 December 2021	<b>50,423</b>	<b>711,352</b>	<b>269,069</b>	<b>1,030,844</b>
<b>Net book value</b>				
At 31 December 2021	<b>12,832</b>	<b>588</b>	<b>13,307</b>	<b>26,727</b>
At 31 December 2020	16,036	1,084	17,868	34,988

# NEDSCHROEF FASTENERS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

### 11. Stocks

	2021 £	2020 £
Finished goods and goods for resale	<u>4,345,245</u>	<u>3,128,603</u>

There is no significant difference between the replacement cost of the stock and its carrying amount.

Stocks are stated after provisions for impairment of £504,513 (2020: £545,557).

### 12. Debtors

	2021 £	Restated 2020 £
Trade debtors	1,688,285	2,011,515
Amounts owned by group undertakings (*)	6,288,549	6,288,018
Net deferred tax assets (note 15)	9,579	6,281
Prepayments and accrued income	<u>1,200,000</u>	<u>1,295,051</u>
	<u>9,186,413</u>	<u>9,600,865</u>

Amounts owed by group undertakings are unsecured, bear no interest and are due on demand.  
Trade debtors are stated after provisions of £189,078 (2020: £33,723).

(\*) See note 14 for details on the restatement.

### 13. Cash at bank and in hand

	2021 £	2020 £
Cash at bank and in hand	598,535	-
Less bank overdraft	-	(81,402)
	<u>598,535</u>	<u>(81,402)</u>

Bank loans and overdrafts are unsecured and bear no interest.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**14. Creditors: amounts falling due within one year**

	2021	Restated 2020
	£	£
Bank loans and overdrafts	-	81,402
Trade creditors	2,036,862	1,127,434
Amounts owed to group undertakings (*)	4,440,621	4,196,834
Corporation tax (*)	39,341	(25,562)
Other taxation and social security	1,349,145	2,357,699
Accruals and deferred income	773,878	166,037
	<b>8,639,847</b>	<b>7,903,844</b>

Amounts owed to group undertakings are unsecured, bear no interest and are repayable on demand.

**(\*) Prior year restatement**

The following restatements have been made to the prior year reported amounts:

- £2,337,434 has been reclassified from debtors to creditors: amounts falling due within one year
- £246,250 has been reclassified from corporation tax to amounts owed to group undertakings

Included within the financial statements for the year ended 31 December 2020 was amounts owned by group undertakings of £2,337,434. Subsequent to the filing of those financial statements, the directors identified a more accurate split in the composition and presentation of the amounts included in this balance in the financial statements. As a result, the amounts owed to group undertakings of £3,950,584 was reclassified to creditors: amounts falling due within one year, as this comprises trading balances owed to other entities within the Nedschroef Group where there is no right of offset.

Also included within the financial statements for the year ended 31 December 2020 was corporation tax of £246,250 which relates to an intercompany recharge due to Koninklijke Nedschroef Holding BV and not corporation tax due to HMRC. Subsequent to the filing of those financial statements, the directors identified the incorrect classification of this balance in the financial statements. As a result, the amount of £246,250 was reclassified from corporation tax to amounts owed to group undertakings.

The impact of these reclassifications is an increase in the amounts owned by group undertakings of £3,950,584 and a decrease in the corporation tax liability of £246,250 as at 31 December 2020, with an equal increase in the amounts owed to group undertakings balance. The total net current asset balances remain unchanged. All impacted primary statements and notes to the financial statements have been restated and referenced to reflect this reclassification.

**15 Deferred taxation**

	2021 £	2020 £
At beginning of year	6,281	7,122
Charge to profit or loss	3,298	(841)
<b>At the end year</b>	<b>9,579</b>	<b>6,281</b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**15 Deferred taxation (continued)**

The deferred tax asset is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	6,620	4,848
Short term timing difference	2,959	1,433
	<u>9,579</u>	<u>6,281</u>

There are no unused tax losses or unused tax credits.

**16. Called up share capital**

	2021 £	2020 £
<b>Authorised, Allotted, called up and fully paid</b>		
10,000 (2020: 10,000) Ordinary class A shares of £1 (2020: £1) each	10,000	10,000
10,000 (2020: 10,000) Ordinary class B shares of £1 (2020: £1) each	10,000	10,000
	<u>20,000</u>	<u>20,000</u>

The Company has two classes of ordinary shares which rank pari passu and carry no right to fixed income.

**17. Reserves**

**Share premium account**

The share premium account contains the premium arising on issue of equity shares, net of issue expenses.

**Profit and loss account**

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

**18. Pension commitments**

The Company makes contributions into employees' personal pension plans. The pension cost charge for the year represents contributions payable by the Company and amounted to £48,347 (2020: £35,435). Contributions amounting to £20,162 (2020: £87,702) were payable to the personal pension plans and are included in creditors at the end of the year.

**19. Related parties**

The company has taken advantage of the exemption provided by section 33 of FRS 102 and has not therefore disclosed transactions with other wholly-owned entities within the group.

Outstanding balances owed to and by group undertakings are disclosed in notes 12 and 14. There have been no other related party transactions during the year.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

**20. Commitments under operating leases**

At 31 December the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
<b>Land and building</b>		
Not later than 1 year	315,800	315,804
Later than 1 year and not later than 5 years	500,017	815,827
	<u>815,817</u>	<u>1,131,631</u>
<b>Other</b>		
Not later than 1 year	88,615	79,802
Later than 1 year and not later than 5 years	200,242	141,398
	<u>288,857</u>	<u>221,200</u>

**21. Post balance sheet events**

Nedschroef Ltd and BMW agreed a renewal, in July 2022, for three years with option for two year extension from August 2022.

**22. Ultimate parent undertaking and controlling party**

Nedschroef Fasteners Limited is 100% owned by Koninklijke Nedschroef Holding BV.

Until May 2014, the Nedschroef group, including Nedschroef Fasteners Limited and Koninklijke Nedschroef Holding BV, was owned by Gilde Buy Out Partners via Nedfast Holding BV.

The Nedschroef Group was acquired in May 2014 by Shanghai Prime Machinery Company (PMC) which is one of the largest exporters of automotive fasteners in China and is a controlled subsidiary of Shanghai Electric Group.

The Nedschroef Group continued to operate independently under the Nedschroef brand name.

The directors consider Shanghai Electric (Group) Corporation to be the ultimate controlling party during the year. The Company is registered in China.

The smallest group in which the results of the Company were consolidated in the year is that headed by Koninklijke Nedschroef Holding BV. The largest group in which the results of the Company were consolidated in the year is that headed by Nedfast Holding BV. The consolidated financial statements of both these companies are available to the public and may be obtained at Kanaaldijk NW75, 5707 LC, Helmond, Netherlands. No other group financial statements included the results of the Company.