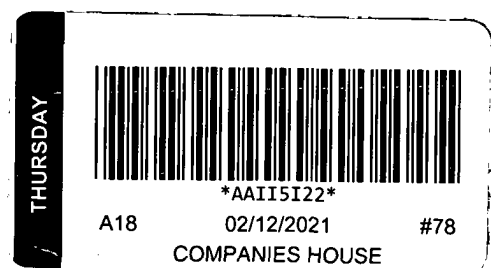


Registered number: 03772242

CERATIZIT UK & IRELAND LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021



CERATIZIT UK & IRELAND LIMITED

COMPANY INFORMATION

| | |
|----------------------------|--|
| Directors | T Pennington A Schwenninger (resigned 6 April 2020) T Wolter C Sun (appointed 6 April 2020) |
| Company secretary | T Pennington |
| Registered number | 03772242 |
| Registered office | Sheffield Business Park Europa Link Sheffield South Yorkshire S9 1XU |
| Independent auditor | Grant Thornton UK LLP Chartered Accountants Statutory Auditor Royal Liver Building Liverpool L3 1PS |
| Bankers | BNP Paribas Fortis 5 Aldermanbury Square London EC2V 7BP |
| Solicitors | Thomas Higgins Limited Lloyds Chambers 19-21 Seaview Road Wallasey CH45 4TH |

CERATIZIT UK & IRELAND LIMITED

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CERATIZIT UK & IRELAND LIMITED

**STRATEGIC REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2021**

Business review

Profitability was healthy and the outlook going forward is extremely positive. The directors are pleased with the sales performance during the year and believe that Ceratizit UK & Ireland Limited is in a strong going concern position to continue to expand its market share profitably.

Summary of key performance indicators

The directors have monitored the progress of the overall company strategy and the individual strategic elements by reference to certain financial key performance indicators.

| | 2019/20 | 2020/2021 |
|---------------------------------|---------|-----------|
| Sales | £36.57m | £29.66m |
| Gross profit margin | 35.2% | 30.9% |
| Operating profit /(loss) margin | 8.2% | (5.22%) |

Strategy

The strategy adopted during the year has been to continually build on market position established by the Company.

Turnover

The directors consider the results for the year to be above the overall performance of the market.

Future developments**COVID 19**

The business has continued to operate during throughout the pandemic and has seen some impact on revenue. The Company implemented some cost control measures to mitigate the impact and remains profitable and cash positive. In order to keep employees safe a number of preventative measures have been implemented. The cost controls and additional safety measures have continued since the end of the financial year. In recent months with the easing of some restrictions sales orders have picked up and 2021 looks to be a better year financially.

Brexit

Contingency has been put in place for a local warehouse to deal with any logistics issue through the Brexit issue. This has now been built and is ready to accept relevant stock if needed. It is expected that the business will continue successfully through this Brexit situation.

The directors remain confident that we will continue to improve our market share.

CERATIZIT UK & IRELAND LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021**

Principal risks and uncertainties

The Company uses various financial instruments. These include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the Company's activities.

The existence of these financial instruments exposes the Company to a number of financial risks that are described in more detail below.

The main risks arising from the Company's financial instruments are foreign exchange risk and credit risk. The directors review and agree policies for managing these risks and they are summarised below. These policies have remained unchanged from previous years.

Foreign exchange risk

The Company is exposed to translation and transaction foreign exchange risk. In relation to translation risk, as far as possible, the assets held in the foreign currency are matched to an appropriate level of borrowings in the same currency. Transaction exposures, including those associated with forecast transactions, are hedged when known, principally using foreign currency bank accounts and forward foreign exchange currency contracts. Whilst the aim is to achieve an economic hedge, the Company does not adopt an accounting policy of hedge accounting for these financial statements.

Credit risk

The Company's principal financial assets are stock held at customers premises, cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit rating agencies. The principal credit risk arises therefore from its stock and trade debtors.

In order to manage credit risk, the directors set limited for customers based on a combination of payment history, monthly stock usage and third party credit references. Credit limits are reviewed on a regular basis in conjunction with debt ageing and collection history.

This report was approved by the board and signed on its behalf.

Tony Pennington

T Pennington

Director

Date: 30 November 2021

CERATIZIT UK & IRELAND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 28 FEBRUARY 2021**

The directors present their report and the financial statements for the year ended 28 February 2021.

Principal activity

The principal activity of the Company is the sale of tooling products.

Results and dividends

The loss for the year, after taxation, amounted to £1,568,472 (2020: profit £2,281,572).

Dividends declared and paid during the year amounted to £1,800,000 (2020: £1,800,000).

Directors

The directors who served during the year were:

T Pennington
A Schwenninger (resigned 6 April 2020)
T Wolter
C Sun (appointed 6 April 2020)

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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 profit or loss of 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.

Qualifying third party indemnity provisions

The Company has provided qualifying third party indemnity provisions in respect of the board of directors which were in force during the year and at the date of this report.

CERATIZIT UK & IRELAND LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 28 FEBRUARY 2021**

Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future. The Company therefore continues to adapt the going concern basis in preparing its financial statements.

The impact to the Company arising from the uncertainty of the recent COVID-19 outbreak has been considered by the Directors:

- Management have considered updated financial forecasts. Based upon the information available, the Directors consider that the Company has ample liquidity to continue business for at least the next 12 months as a going concern.

Matters covered in the strategic report

The information required by Schedule 7 of the Large and Medium-sized Companies (Accounts and Reports) Regulations 2008 has been included in the Strategic Report in accordance with section 414C(11) of the Companies Act 2006 (Strategic Report and Directors Report) Regulations 2013.

Items normally reserved for the Directors Report relating to risks and uncertainties have been included with the Strategic Report.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Tony Pennington

T Pennington

Director

Date: 30 November 2021



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERATIZIT UK & IRELAND LIMITED

Opinion

We have audited the financial statements of Ceratizit UK & Ireland Limited (the 'Company') for the year, which comprise the Statement of Income and Retained Earnings, the Balance Sheet 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 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 28 February 2021 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 '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

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERATIZIT UK & IRELAND LIMITED
(CONTINUED)**

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.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report 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 there is a material misstatement in 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 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERATIZIT UK & IRELAND LIMITED
(CONTINUED)**

Matter on which we are required to report under the Companies Act 2006

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 Directors' Report.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which 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 for the financial statements

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 intend 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.

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 Auditor's Report.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERATIZIT UK & IRELAND LIMITED
(CONTINUED)**

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company, and the industry in which it operates. We determined the Companies Act 2006 to be the most significant laws and regulations to the entity. We enquired of management whether there were any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected fraud. We corroborated the results of our enquires to supporting documentation such as board minute reviews. From the procedures performed we did not identify any matters relating to non-compliance with laws and regulation or matters in relation to fraud.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur. Audit procedures performed by the engagement team included:
 - evaluation of the processes and controls established to address the risks related to irregularities and fraud;
 - testing manual journal entries, in particular journal entries relating to management estimates and entries determined to be large or relating to unusual transactions;
 - identifying and testing related party transactions
- The assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's knowledge of the industry in which the client operates in and understanding of, and practical experience through training and participation with audit engagements of a similar nature;
- In assessing the potential risks of material misstatement, we obtained an understanding of:
 - the Company's operations, including the nature of its revenue sources, expected financial statement disclosures and business risks that may result in risk of material misstatement and
 - the Company's control environment including the adequacy of procedures for authorisation of transactions.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERATIZIT UK & IRELAND LIMITED
(CONTINUED)**

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.

Grant Thornton UK LLP

Gareth Hitchmough
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor
Chartered Accountants
Liverpool

30 November 2021

CERATIZIT UK & IRELAND LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

| | Note | 2021 £ | 2020 £ |
|---|------|--------------------|-------------------|
| Turnover | 4 | 29,662,841 | 36,567,898 |
| Cost of sales | | (20,510,433) | (23,683,529) |
| Gross profit | | 9,152,408 | 12,884,369 |
| Administrative expenses | | (10,701,031) | (9,875,359) |
| Operating (loss)/profit | 5 | (1,548,623) | 3,009,010 |
| Interest payable and expenses | 9 | (210,854) | (32,285) |
| (Loss)/profit before tax | | (1,759,477) | 2,976,725 |
| Tax on (loss)/profit on ordinary activities | 10 | 191,005 | (695,153) |
| (Loss)/profit after tax | | (1,568,472) | 2,281,572 |
| Retained earnings at the beginning of the year | | 2,892,326 | 2,410,754 |
| (Loss)/profit for the year | | (1,568,472) | 2,281,572 |
| Dividends declared and paid | 11 | (1,800,000) | (1,800,000) |
| Retained earnings at the end of the year | | (476,146) | 2,892,326 |

All results were derived from the Company's activities.

The notes on pages 12 to 27 form part of these financial statements.

CERATIZIT UK & IRELAND LIMITED
REGISTERED NUMBER:03772242

BALANCE SHEET
AS AT 28 FEBRUARY 2021

| | Note | 28 February 2021 £ | 29 February 2020 £ |
|--|------|--------------------------|--------------------------|
| Fixed assets | | | |
| Intangible assets | 12 | 831,000 | 1,246,500 |
| Tangible assets | 13 | 1,401,928 | 1,133,420 |
| | | <u>2,232,928</u> | <u>2,379,920</u> |
| Current assets | | | |
| Stocks | 14 | 6,983,890 | 5,529,669 |
| Debtors: amounts falling due within one year | 15 | 8,114,746 | 7,922,025 |
| Cash at bank and in hand | 16 | 128,617 | 228,251 |
| | | <u>15,227,253</u> | <u>13,679,945</u> |
| Creditors: amounts falling due within one year | 17 | (16,719,447) | (12,020,420) |
| Net current (liabilities)/assets | | <u>(1,492,194)</u> | <u>1,659,525</u> |
| Total assets less current liabilities | | <u>740,734</u> | <u>4,039,445</u> |
| Provisions for liabilities | | | |
| Deferred tax | 18 | (216,880) | (147,119) |
| | | <u>(216,880)</u> | <u>(147,119)</u> |
| Net assets | | <u><u>523,854</u></u> | <u><u>3,892,326</u></u> |
| Capital and reserves | | | |
| Called up share capital | 19 | 1,000,000 | 1,000,000 |
| Profit and loss account | 20 | (476,146) | 2,892,326 |
| | | <u><u>523,854</u></u> | <u><u>3,892,326</u></u> |

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

Tony Pennington

T Pennington
 Director

Date: 30 November 2021

The notes on pages 12 to 27 form part of these financial statements.

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

1. General information

Ceratizit UK & Ireland Limited is a private company limited by shares and incorporated in England and Wales. Its registered head office is located at Sheffield Business Park, Europa Link, Sheffield, South Yorkshire, S9 1XU.

The Company's principal activity is the sale of tooling products.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland 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 financial statements are presented in Pounds Sterling (£), the Company's functional currency.

The following principal accounting policies have been applied:

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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 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

This information is included in the consolidated financial statements of Ceratizit S.A. as at 28 February 2021 and these financial statements are publicly available.

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

2. Accounting policies (continued)

2.3 Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has adequate resources to continue operational existence for the foreseeable future. The Company therefore continues to adapt the going concern basis in preparing its financial statements.

The impact to the Company arising from the uncertainty of the recent COVID-19 outbreak has been considered by the Directors:

- Management have considered updated financial forecasts. Based upon the information available, the Director's consider that the Company has ample liquidity to continue business for at least the next 12 months as a going concern.

2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

This is usually at the point when the goods have left for delivery.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

2. Accounting policies (continued)**2.5 Tangible fixed assets (continued)**

The Company adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Income and Retained Earnings during the period in which they are incurred.

Depreciation is provided on the following basis:

| | |
|---------------------------------|--------------------------------|
| Leasehold property improvements | - over the period of the lease |
| Fixtures, fittings & equipment | - 10-33% straight line |

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Tangible assets are de-recognised on disposal or when no future economic benefits are expected.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

Tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment is conducted, the recoverable amount is assessed by reference to the net present value of expected future cash flows of the relevant income generating unit or disposal value if higher.

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.7 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Income and Retained Earnings.

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

2. Accounting policies (continued)

2.8 Debtors

Short term debtors are initially measured at transaction price (usually the invoice price), less any impairment losses for bad and doubtful debts. They are then subsequently measured at amortised cost less impairment.

2.9 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.10 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset, and the net amount reported in the Balance Sheet when there is an 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.

2.11 Creditors

Short term creditors are measured at the transaction price (usually the invoice price). Other financial liabilities are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

2. Accounting policies (continued)

2.12 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Pounds Sterling (£).

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Income and Retained Earnings except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'administrative expenses'.

2.13 Interest payable

Interest payable is charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.14 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

2.15 Pensions

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 Income and Retained Earnings 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.

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

2. Accounting policies (continued)

2.16 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or right to pay less or to receive more tax, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

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

Preparation of the financial statements in accordance with generally accepted accounting principals requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regard, the directors believe that the critical accounting policies where estimates are necessarily applied are summarised below:

Bad debt provision and stock provision

Management review the recoverable amount of stock and debtors at each financial year and provide any assets which management believe are not recoverable in part or in full.

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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4. Turnover

The whole of the turnover is attributable to the sale of metal tooling products.

Analysis of turnover by country of destination:

| | 2021 £ | 2020 £ |
|----------------|-------------------|-------------------|
| United Kingdom | 26,506,414 | 33,000,863 |
| Rest of Europe | 3,156,427 | 3,567,035 |
| | <u>29,662,841</u> | <u>36,567,898</u> |

5. Operating (loss)/profit

The operating (loss)/profit is stated after charging:

| | 2021 £ | 2020 £ |
|---|------------------|------------------|
| Depreciation of tangible fixed assets | 277,250 | 242,286 |
| Amortisation of intangible fixed assets | 415,500 | 415,500 |
| Exchange loss | 108,084 | 97,968 |
| Other operating lease rentals | 470,735 | 454,102 |
| Defined contribution pension cost | 211,014 | 294,455 |
| | <u>2,082,583</u> | <u>1,504,251</u> |

6. Auditor's remuneration

| | 2021 £ | 2020 £ |
|--|---------------|---------------|
| Fees payable to the Company's auditor for the audit of the Company's annual financial statements | 27,750 | 25,000 |
| Fees payable to the Company's auditor in respect of: | | |
| Payroll services | 3,065 | 4,635 |
| Taxation compliance services | 5,500 | 11,000 |
| Advisory services | 7,250 | - |
| Company secretarial services | 3,558 | - |
| VAT Advisory services | 11,000 | - |
| Accounts production & iXBRL services | 3,000 | - |
| | <u>33,373</u> | <u>15,635</u> |

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
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7. Employees

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

| | 2021 £ | 2020 £ |
|-------------------------------------|------------------|------------------|
| Wages and salaries | 4,011,653 | 4,341,780 |
| Social security costs | 567,351 | 543,721 |
| Cost of defined contribution scheme | 211,014 | 294,455 |
| | <u>4,790,018</u> | <u>5,179,956</u> |

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

| | 2021 No. | 2020 No. |
|--------------------------------|-------------|-------------|
| Selling and distribution staff | 65 | 65 |
| Administrative staff | 4 | 3 |
| | <u>69</u> | <u>68</u> |

8. Directors' remuneration

| | 2021 £ | 2020 £ |
|---|----------------|----------------|
| Directors' emoluments | 197,323 | 211,972 |
| Company contributions to defined contribution pension schemes | 11,758 | 12,718 |
| | <u>209,081</u> | <u>224,690</u> |

During the year retirement benefits were accruing to 1 directors (2020: 1) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £197,323 (2020: £211,972).

9. Interest payable and expenses

| | 2021 £ | 2020 £ |
|------------------------------|----------------|---------------|
| Inter-group interest payable | 58,914 | 32,285 |
| Irish PAYE | 151,940 | - |
| | <u>210,854</u> | <u>32,285</u> |

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

10. Taxation

| | 2021 | 2020 |
|---|------------------|----------------|
| | £ | £ |
| Corporation tax | | |
| Current tax on (loss)/profit for the year | - | 646,758 |
| Adjustments in respect of previous periods | (277,636) | - |
| Deferred tax | | |
| Origination and reversal of timing differences | 70,221 | 47,996 |
| Adjustments in respect of prior periods | (804) | 399 |
| Effect of tax rate change on opening balance | 17,214 | - |
| Total deferred tax | 86,631 | 48,395 |
| Taxation on (loss)/profit on ordinary activities | (191,005) | 695,153 |

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020: *higher than*) the standard rate of corporation tax in the UK of 19% (2020: 19.00%). The differences are explained below:

| | 2021 £ | 2020 £ |
|---|-------------------------|-----------------------|
| (Loss)/profit on ordinary activities before tax | <u>(1,759,477)</u> | <u>2,976,725</u> |
| (Loss)/Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19.00%) | (334,301) | 565,578 |
| Effects of: | | |
| Adjustments to brought forward values | 78,945 | - |
| Expenses not deductible for tax purposes | 48,246 | 139,143 |
| Capital allowances for year in excess of depreciation | - | 1,587 |
| Other permanent differences | 38 | - |
| Losses carried back | 300,477 | - |
| Remeasurement of deferred tax for changes in tax rates | 17,214 | - |
| Adjustments to tax charge in respect of previous periods | (300,820) | (2,798) |
| Adjustments to tax charge in respect of previous periods - deferred tax | (804) | 399 |
| Adjust closing deferred tax to average rate of 19.00% | - | (17,308) |
| Adjust opening deferred tax to average rate of 19.00% | - | 11,334 |
| Deferred tax not recognised | - | (2,782) |
| Total tax charge for the year | <u>(191,005)</u> | <u>695,153</u> |

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

10. Taxation (continued)**Factors that may affect future tax charges**

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporation tax rate will increase to 25%. Since the proposal to increase the rate to 25% had not been substantively enacted at the balance sheet date, its effects are not included in these financial statements. However, it is likely that the overall effect of the change, had it been substantively enacted by the balance sheet date, would be to decrease the tax credit for the year by £139,053 and to increase the deferred tax asset to £285,368.

11. Dividends

| | 28 February 2021 £ | 29 February 2020 £ |
|--|-----------------------------------|-----------------------------------|
| Interim dividends paid during the year representing £1.80 (2020: £1.80) per Ordinary Share | <u>1,800,000</u> | <u>1,800,000</u> |

12. Intangible assets

| | Goodwill £ |
|-------------------------------------|-------------------------|
| Cost | |
| At 1 March 2020 | 1,662,000 |
| At 28 February 2021 | <u>1,662,000</u> |
| Amortisation | |
| At 1 March 2020 | 415,500 |
| Charge for the year on owned assets | 415,500 |
| At 28 February 2021 | <u>831,000</u> |
| Net book value | |
| At 28 February 2021 | <u>831,000</u> |
| At 29 February 2020 | <u>1,246,500</u> |

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

13. Tangible fixed assets

| | Leasehold Property improvement £ | Fixtures & fittings £ | Total £ |
|-----------------------|---|--|--------------------|
| Cost | | | |
| At 1 March 2020 | 173,552 | 3,096,531 | 3,270,083 |
| Additions | 15,545 | 530,213 | 545,758 |
| At 28 February 2021 | <u>189,097</u> | <u>3,626,744</u> | <u>3,815,841</u> |
| Depreciation | | | |
| At 1 March 2020 | 106,468 | 2,030,195 | 2,136,663 |
| Charge for the year | 19,922 | 257,328 | 277,250 |
| At 28 February 2021 | <u>126,390</u> | <u>2,287,523</u> | <u>2,413,913</u> |
| Net book value | | | |
| At 28 February 2021 | <u>62,707</u> | <u>1,339,221</u> | <u>1,401,928</u> |
| At 29 February 2020 | <u>67,084</u> | <u>1,066,336</u> | <u>1,133,420</u> |

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

14. Stocks

| | 28 February 2021 | <i>29 February 2020</i> |
|-------------------------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Finished goods and goods for resale | <u>6,983,890</u> | <u>5,529,669</u> |

Impairment losses totalling £391,046 (2020: £192,293) were recognised in the Statement of Income and Retained Earnings

15. Debtors

| | 28 February 2021 | <i>29 February 2020</i> |
|------------------------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Trade debtors | 7,078,094 | 7,312,275 |
| Amounts owed by group undertakings | 81,081 | 122,786 |
| Prepayments and accrued income | 322,114 | 486,964 |
| Tax recoverable | 633,457 | - |
| | <u>8,114,746</u> | <u>7,922,025</u> |

An impairment loss of £50,714 (2020: £43,113) was recognised against trade debtors.

16. Cash

| | 28 February 2021 | <i>29 February 2020</i> |
|--------------------------|-----------------------------|-----------------------------|
| | £ | £ |
| Cash at bank and in hand | <u>128,617</u> | <u>228,251</u> |

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

17. Creditors: Amounts falling due within one year

| | 28 February 2021 £ | <i>29 February 2020 £</i> |
|------------------------------------|-----------------------------------|-----------------------------------|
| Trade creditors | 182,776 | 157,103 |
| Amounts owed to group undertakings | 15,062,112 | 9,864,304 |
| Corporation tax | - | 289,556 |
| Other taxation and social security | 931,148 | 1,092,043 |
| Other creditors | 46,425 | 36,404 |
| Accruals and deferred income | 496,986 | 581,010 |
| | <u>16,719,447</u> | <u>12,020,420</u> |

18. Deferred taxation

| | 2021 £ |
|--|-------------------------|
| At beginning of year | (147,119) |
| Charged to Statement of Income and Retained Earnings | (69,761) |
| At end of year | <u>(216,880)</u> |

The provision for deferred taxation is made up as follows:

| | 28 February 2021 £ | <i>29 February 2020 £</i> |
|--------------------------------|-----------------------------------|-----------------------------------|
| Accelerated capital allowances | (219,258) | (147,119) |
| Short term timing differences | 2,378 | - |
| | <u>2,378</u> | <u>-</u> |

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

19. Share capital

| | 28 February 2021 £ | 29 February 2020 £ |
|--|-----------------------------------|---------------------------------------|
| Allotted, called up and fully paid | | |
| 1,000,000 (2020: 1,000,000) Ordinary shares of £1 each | 1,000,000 | 1,000,000 |

20. Reserves**Called up share capital**

Represents the nominal value of shares that have been issued in prior years.

Profit & loss account

Includes all current and prior period retained profits and losses.

21. Contingent liabilities

There were no contingent liabilities at 28 February 2021 and 29 February 2020.

22. Capital commitments

There were no capital commitments at 28 February 2021 or 29 February 2020..

23. Pension commitments

The Company operates a defined contributions 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 and amounted to £211,014 (2020: £294,455).

Outstanding contributions at the end of the financial year amounted to £27,698 (2020: £Nil).

CERATIZIT UK & IRELAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 28 FEBRUARY 2021**

24. Commitments under operating leases

At 28 February 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

| | 28 February 2021 | <i>29 February 2020</i> |
|--|-----------------------------|-----------------------------|
| | £ | £ |
| Not later than 1 year | 421,075 | 381,797 |
| Later than 1 year and not later than 5 years | 348,445 | 542,509 |
| Later than 5 years | 177,976 | 124,575 |
| | 947,496 | 1,048,881 |

25. Related party transactions

The Company has elected to take exemptions under section 33 of FRS 102 entitling the non-disclosure of transactions with group companies.

26. Ultimate parent undertaking and controlling party

Ceratizit UK & Ireland Limited is 100% owned by Ceratizit S.A., a company incorporated in Luxembourg. The address of the registered office is A6600 Reuttee, Tyrol, Austria .

The largest and smallest group in which the results of the Company are consolidated is that headed by Ceratizit S.A. Copies of the group financial statements are available from Ceratizit Group, A6600 Reuttee, Tyrol, Austria.