

**EJOT U.K. Limited**  
**Financial Statements**  
**For the year ended**  
**31 December 2021**



**RÖDL & PARTNER LIMITED**

170 Edmund Street  
Birmingham  
England  
B3 2HB

**EJOT U.K. Limited**  
**Financial Statements**  
**Year ended 31 December 2021**

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# **EJOT U.K. Limited**

## **Officers and Professional Advisers**

### **The board of directors**

C Middleton  
R Birkelbach

### **Company secretary**

R J Hardstaff

### **Registered office**

229 Fenwick Road  
Giffnock  
Glasgow  
Scotland  
G46 6JQ

### **Auditor**

Rödl & Partner Limited  
170 Edmund Street  
Birmingham  
England  
B3 2HB

### **Bankers**

Barclays Bank PLC  
West Riding House  
69 Albion Street  
Leeds  
LS1 5AA

# **EJOT U.K. Limited**

## **Strategic Report**

**Year ended 31 December 2021**

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

### **Review of the business environment**

EJOT U.K. Limited is a wholly owned subsidiary of EJOT Invest International GmbH, a company incorporated in Germany.

The company is favourably placed in both the highly competitive construction market and the equally challenging industrial supplies industries.

The continued uncertainty surrounding the UK economy in 2021, post the UK leaving the EU and the ongoing Covid-19 situations, has impacted the organisation and the markets in which it deals. The construction side of the business has been on a positive trajectory during this trading year, but has been impacted by material shortages, labour issues and price increases throughout the industry, which has delayed investment, and thus continues to be a very challenging year for the industry as a whole. The industrial sector (heavily automotive reliant) continues to be impacted by extended factory shutdowns due to the covid-19 pandemic thus has seen the automotive sector decline once more. Therefore, it continues to be a very challenging business environment for the organisation.

Within the construction industry we are one of the major suppliers of fasteners in the UK and Ireland, supplying fasteners through a network of key distributors as well as through our own sales force directly to the roofing contractors. Within the industrial sector we are one of the principal companies operating, trading both through distribution and directly to end users.

### **Strategy**

Our aim is to continue growth of the business through looking at new markets and product innovations, at the same time as continuing to service our current markets with the quality product our customers deserve and desire.

### **Principal risks and uncertainties**

The major risk to EJOT U.K. Limited is the current economic situation that the UK and world, finds itself in, although through actions of the senior management we feel we are in a strong position to see us through this situation.

### **Key performance indicators**

Through the production of monthly management accounts, we constantly monitor various KPI's (including profitability, operational performance, debtors, stock days), and use these to help manage the business.

### **Financial risk management**

The company's operations expose it to a variety of financial risks that include commercial, credit risk and exchange rate risk. The company has policies in place to manage these risks as follows:

**Commercial risk** - Actively investing in research and development as part of an overall group strategy to meet the competition from alternative suppliers and provide a proactive approach to customer care and product quality.

**Credit risk** - The company has implemented policies that require appropriate credit checks on potential customers before a sale is made. Credit limits are reviewed regularly as trading history and new financial information on customers becomes available. Cash held with financial institutions is held in low-risk current accounts.

# EJOT U.K. Limited

## Strategic Report *(continued)*

**Year ended 31 December 2021**

**Exchange rate risk** - The company purchases goods from group companies and other third-party suppliers, these purchases are transacted in Euros and US Dollars. As a result, the value of the company's purchases, financial liabilities and cash flows can be affected by movements in exchange rates. The risk is not considered to be excessive due to the relative stability of the Euro in recent years, however management have a history of undertaking hedging of foreign currency to mitigate the risk where appropriate.

This report was approved by the board of directors on 28/2/22 and signed on behalf of the board by:



C Middleton  
Director

# **EJOT U.K. Limited**

## **Directors' Report**

**Year ended 31 December 2021**

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

### **Directors**

The directors who served the company during the year were as follows:

C Middleton  
R Birkelbach

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Future developments**

We recognise the potential of EJOT U.K. Limited and we remain confident that we can continue to maintain our current levels of performance in the future.

As stated in the Strategic Report, our aim is to grow the business through looking at new markets and innovations, at the same time as continuing to service our current markets with the quality product our customers deserve and desire.

### **Employment of disabled persons**

The company gives full and fair consideration to applications for employment by the company made by disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the company's policy, wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

### **Research and development**

During the year there has been a number of new product developments and launches into the market place. EJOT U.K. Limited continues to work on a series of new developments which are to be launched in the future, as we work very closely with our customers and all major OEMs to provide new innovative solutions to their varied fastener and systems requirements.

This report was approved by the board of directors on 28/2/22 and signed on behalf of the board by:



C Middleton  
Director

# **EJOT U.K. Limited**

## **Directors' Responsibilities Statement**

**Year ended 31 December 2021**

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

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments 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.

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.

# **EJOT U.K. Limited**

## **Independent Auditors' Report to the Members**

**Year ended 31 December 2021**

### **Opinion**

We have audited the financial statements of EJOT U.K. Limited (the 'company') for the year ended 31 December 2021, which comprise of the Statement of Income and Retained Earnings, 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 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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



# **EJOT U.K. Limited**

## **Independent Auditors' Report to the Members *(continued)***

**Year ended 31 December 2021**

### **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.

### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and Directors' Report have been prepared in accordance with applicable legal requirements.

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

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

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.

# **EJOT U.K. Limited**

## **Independent Auditors' Report to the Members *(continued)***

**Year ended 31 December 2021**

### **Responsibilities of the directors**

As explained more fully in the Directors' Responsibilities Statement (set out on page 5), 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.

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

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

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.

A further description of our responsibilities is available on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

# **EJOT U.K. Limited**

## **Independent Auditors' Report to the Members *(continued)***

**Year ended 31 December 2021**

### **Auditors' responsibilities for the audit of the financial statements *(continued)***

As part of an audit in accordance with ISAs (UK), we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

# **EJOT U.K. Limited**

## **Independent Auditors' Report to the Members *(continued)***

**Year ended 31 December 2021**

### **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's members as a body, for our audit work, this report, or the opinions we have formed.



28<sup>th</sup> Feb, 2022

Imran Farooq (Senior Statutory Auditor)

For and on behalf of  
Rödl & Partner Limited  
170 Edmund Street  
Birmingham  
England  
B3 2HB

**EJOT U.K. Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 December 2021**

	Note	2021 £	2020 £
<b>Turnover</b>	<b>5</b>	<b>27,173,916</b>	21,641,615
Cost of sales		<u>20,433,455</u>	<u>15,395,515</u>
<b>Gross profit</b>		<b>6,740,461</b>	6,246,100
Administrative expenses		<u>4,511,001</u>	4,075,625
Other operating income	<b>6</b>	<u>2,599</u>	—
<b>Operating profit</b>	<b>7</b>	<b>2,232,059</b>	2,170,475
Interest payable and similar expenses	<b>11</b>	<u>16,184</u>	<u>2,689</u>
<b>Profit before taxation</b>		<b>2,215,875</b>	2,167,786
Tax on profit	<b>12</b>	<u>460,968</u>	<u>394,549</u>
<b>Profit for the financial year and total comprehensive income</b>		<b><u>1,754,907</u></b>	<b><u>1,773,237</u></b>
<b>Retained earnings at the start of the year</b>		<b>7,366,091</b>	5,592,854
<b>Retained earnings at the end of the year</b>		<b><u>9,120,998</u></b>	<u>7,366,091</u>

All the activities of the company are from continuing operations.

The company has no recognised gains or losses other than the results for the year as set out above.

There is no material difference between the profit on ordinary activities before taxation and the profit for the year stated above and their historical cost equivalents.

The notes on pages 13 to 21 form part of these financial statements.

# EJOT U.K. Limited

## Balance Sheet

31 December 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	13	5,638,128	3,368,301
<b>Current assets</b>			
Stocks	14	4,154,975	4,122,397
Debtors	15	4,877,112	4,520,229
Cash at bank and in hand		1,162,860	1,267,672
		<u>10,194,947</u>	<u>9,910,298</u>
<b>Creditors: amounts falling due within one year</b>	16	<u>4,650,659</u>	<u>4,093,591</u>
<b>Net current assets</b>		<u>5,544,288</u>	<u>5,816,707</u>
<b>Total assets less current liabilities</b>		<u>11,182,416</u>	<u>9,185,008</u>
<b>Provisions</b>			
Taxation including deferred tax	17	<u>311,418</u>	<u>68,917</u>
<b>Net assets</b>		<u>10,870,998</u>	<u>9,116,091</u>
<b>Capital and reserves</b>			
Called up share capital	21	1,750,000	1,750,000
Profit and loss account	22	<u>9,120,998</u>	<u>7,366,091</u>
<b>Reporting on other information funds</b>		<u>10,870,998</u>	<u>9,116,091</u>

These financial statements were approved by the board of directors and authorised for issue on 22/12/22, and are signed on behalf of the board by:



C Middleton  
Director

Company registration number: SC094473

The notes on pages 13 to 21 form part of these financial statements.

# **EJOT U.K. Limited**

## **Notes to the Financial Statements**

**Year ended 31 December 2021**

### **1. General information**

The company is a private company limited by shares, registered in Scotland. The address of the registered office is 229 Fenwick Road, Giffnock, Glasgow, G46 6JQ, Scotland.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements are prepared on the going concern basis and in accordance with the Companies Act 2006 and with applicable accounting standards in the United Kingdom. A summary of the more important accounting policies, which have been consistently applied, is set out below.

#### **Disclosure exemptions**

The company satisfies the criteria of being a qualifying entity as defined in FRS 102. Its financial statements are consolidated into the financial statements of EJOT Holding GmbH & Co KG which are publicly available. Consequently the company has taken advantage of the exemption from preparing a cash flow statement available under paragraph 1.12 of FRS 102(b).

#### **Revenue recognition**

Turnover comprises the invoiced value of goods and services supplied by the company, net of Value Added Tax and trade discounts. Turnover is recognised on despatch.

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rate of exchange at the balance sheet date. Transaction denominated in foreign currencies are translated into sterling at the rate of exchange at the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

# **EJOT U.K. Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 December 2021**

### **3. Accounting policies *(continued)***

#### **Operating leases**

Rentals on operating leases are charged to the profit and loss account on a straight line basis over the lease term.

#### **Tangible assets**

Freehold land is stated at original cost. Other tangible fixed assets are stated at cost less depreciation.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Freehold land and buildings	- 2% straight line
Plant and machinery	- 10% - 15% per annum on cost
Furniture and equipment	- 10% - 33% per annum on cost

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value. In general cost is determined on a weighted average basis and includes transport and handling costs. In the case of manufactured products cost includes all direct expenditure and production overheads based on the normal level of activity. 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 and, where appropriate, the costs of conversion from their existing state to a finished condition. Provision is made where necessary for obsolete, slow moving and defective stock.

#### **Work in progress**

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.



# **EJOT U.K. Limited**

## **Notes to the Financial Statements *(continued)***

### **Year ended 31 December 2021**

#### **3. Accounting policies *(continued)***

##### **Government grants *(continued)***

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

##### **Provisions**

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the balance sheet and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

##### **Defined contribution plans**

The company operates a defined contribution pension scheme and the pension charge of £161,298 (2020: £144,716) represents the amount payable by the company to the fund in respect of the year.

# EJOT U.K. Limited

## Notes to the Financial Statements (continued)

### Year ended 31 December 2021

#### 4. Critical accounting judgements and estimation uncertainty

The preparation of the financial statements under FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts. These estimates and judgements are continually evaluated and are based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates. The estimates, judgements and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are discussed below.

##### a. Impairment of tangible assets

Tangible 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 of an asset or a cash generating unit is determined as the higher of fair value less costs to sell and value-in-use, calculated on the basis of management's assumptions and estimates.

##### b. Stocks

As stocks are carried at the lower of cost and net realisable value this requires the estimation of the eventual selling price of goods to customers in the future. A high degree of judgement is applied when estimating the impact on the carrying value of stocks of factors such as slow moving items, shrinkage, damage and obsolescence. The quantity, age and condition of stocks are regularly assessed as part of a range of reviews and stock counts undertake throughout the year.

#### 5. Turnover

Turnover arises from:

	2021 £	2020 £
Sale of goods	<u>27,173,916</u>	<u>21,641,615</u>

The turnover is attributable to the one principal activity of the company. An analysis of turnover by the geographical markets that substantially differ from each other is given below:

	2021 £	2020 £
United Kingdom	24,023,926	18,068,436
Overseas sales - Other	2,319,835	1,140,126
Overseas sales - Europe	830,155	2,433,053
	<u>27,173,916</u>	<u>21,641,615</u>

#### 6. Other operating income

	2021 £	2020 £
Government grant income	<u>2,599</u>	<u>—</u>

# EJOT U.K. Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2021

#### 7. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021	2020
	£	£
Depreciation of tangible assets	177,329	133,321
Loss on disposal of tangible assets	29,012	-
Impairment of trade debtors	17,500	36,527
Foreign exchange differences	<u>(152,970)</u>	<u>24,270</u>

#### 8. Auditor's remuneration

	2021	2020
	£	£
Fees payable for the audit of the financial statements	<u>18,000</u>	<u>20,950</u>
Fees payable to the company's auditor and its associates for other services:		
Other non-audit services	<u>6,535</u>	<u>-</u>

#### 9. Staff costs

The average number of persons employed by the company during the year, including the directors, amounted to:

	2021	2020
	No.	No.
Production staff	23	20
Distribution staff	17	16
Administrative staff	10	9
Sales staff	30	29
	<u>80</u>	<u>74</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021	2020
	£	£
Wages and salaries	2,982,325	2,499,095
Social security costs	298,073	266,259
Other pension costs	161,298	144,716
	<u>3,441,696</u>	<u>2,910,070</u>

#### 10. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021	2020
	£	£
Remuneration	159,699	149,232
Company contributions to defined contribution pension plans	20,446	19,878
	<u>180,145</u>	<u>169,110</u>

# EJOT U.K. Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2021

#### 10. Directors' remuneration *(continued)*

The number of directors who accrued benefits under company pension plans was as follows:

	2021 No.	2020 No.
Defined contribution plans	<u>1</u>	<u>1</u>

R Birkelbach received no emoluments from the company. He is also a director of another company in the group, EJOT Baubefestigungen GmbH, and the emoluments are disclosed in the annual report of that company.

#### 11. Interest payable and similar expenses

	2021 £	2020 £
Other interest payable and similar charges	<u>16,184</u>	<u>2,689</u>

#### 12. Tax on profit

##### Major components of tax expense

	2021 £	2020 £
<b>Current tax:</b>		
UK current tax expense	218,467	383,244
<b>Deferred tax:</b>		
Origination and reversal of timing differences	<u>242,501</u>	<u>11,305</u>
<b>Tax on profit</b>	<u>460,968</u>	<u>394,549</u>

##### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is higher than (2020: lower than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021 £	2020 £
Profit on ordinary activities before taxation	<u>2,215,875</u>	<u>2,167,786</u>
Profit on ordinary activities by rate of tax	421,017	411,879
Adjustment to tax charge in respect of prior periods	–	6,779
Effect of expenses not deductible for tax purposes	5,078	1,102
Effect of capital allowances and depreciation	34,873	–
Effect of revenue exempt from tax	–	(25,211)
<b>Tax on profit</b>	<u>460,968</u>	<u>394,549</u>

# EJOT U.K. Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2021

#### 13. Tangible assets

	Freehold land and buildings £	Plant and machinery £	Furniture and equipment £	Assets under the course of construction £	Total £
<b>Cost</b>					
At 1 January 2021	1,517,259	1,025,773	189,144	1,916,532	<b>4,648,708</b>
Additions	2,223,787	252,381	—	—	<b>2,476,168</b>
Disposals	—	(29,012)	—	—	<b>(29,012)</b>
Transfers	1,916,532	—	—	(1,916,532)	<b>—</b>
<b>At 31 December 2021</b>	<b>5,657,578</b>	<b>1,249,142</b>	<b>189,144</b>	<b>—</b>	<b>7,095,864</b>
<b>Depreciation</b>					
At 1 January 2021	445,335	739,419	95,653	—	<b>1,280,407</b>
Charge for the year	111,306	50,366	15,657	—	<b>177,329</b>
<b>At 31 December 2021</b>	<b>556,641</b>	<b>789,785</b>	<b>111,310</b>	<b>—</b>	<b>1,457,736</b>
<b>Carrying amount</b>					
<b>At 31 December 2021</b>	<b>5,100,937</b>	<b>459,357</b>	<b>77,834</b>	<b>—</b>	<b>5,638,128</b>
At 31 December 2020	1,071,924	286,354	93,491	1,916,532	3,368,301

#### 14. Stocks

	2021 £	2020 £
Raw materials and consumables	263,929	151,346
Work in progress	215,546	145,037
Finished goods and goods for resale	3,675,500	3,826,014
	<b>4,154,975</b>	<b>4,122,397</b>

#### 15. Debtors

	2021 £	2020 £
Trade debtors	4,636,735	4,345,458
Amounts owed by group undertakings	41,816	21,877
Prepayments and accrued income	198,561	59,382
Other debtors	—	93,512
	<b>4,877,112</b>	<b>4,520,229</b>

Amounts owed by group undertakings are unsecured, interest free, have no fixed date of repayment and are repayable on demand.

# EJOT U.K. Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 December 2021

### 16. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	641,703	726,466
Amounts owed to group undertakings	3,033,033	2,698,830
Accruals and deferred income	479,216	439,856
Corporation tax	33,872	228,439
Social security and other taxes	462,835	—
	<u>4,650,659</u>	<u>4,093,591</u>

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

### 17. Provisions

	Deferred tax (note 18)
	£
At 1 January 2021	68,917
Additions	242,501
At 31 December 2021	<u>311,418</u>

### 18. Deferred tax

The deferred tax included in the balance sheet is as follows:

	2021	2020
	£	£
Included in provisions (note 17)	<u>311,418</u>	<u>68,917</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	2021	2020
	£	£
Accelerated capital allowances	<u>311,418</u>	<u>68,917</u>

### 19. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £161,298 (2020: £144,716).

### 20. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	2021	2020
	£	£
Recognised in other operating income:		
Government grants recognised directly in income	<u>2,599</u>	<u>—</u>

# EJOT U.K. Limited

## Notes to the Financial Statements *(continued)*

**Year ended 31 December 2021**

### 21. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £1 each	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>	<u>1,750,000</u>

### 22. Reserves

The profit and loss account reserve records retained earnings and accumulated losses.

### 23. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2021	2020
	£	£
Not later than 1 year	<b>166,023</b>	14,425
Later than 1 year and not later than 5 years	<b><u>127,788</u></b>	<u>260,519</u>
	<b><u>293,811</u></b>	<u>274,944</u>

### 24. Related party transactions

The company has taken advantage of the exemption in FRS102 paragraph 331A "Related party disclosures" from disclosing transactions with other wholly owned members of the group.

During the year purchases of £69,932 (2020: £60,000) were made from MFB Innovations Limited, a company under common control. No balances were due to MFB Innovations Limited at the balance sheet date.

### 25. Controlling party

The directors regard EJOT Invest International GmbH as the company's immediate parent undertaking. Group financial statements are not prepared by EJOT Invest International GmbH.

The directors consider EJOT Holding GmbH & Co KG, a company incorporated in Germany as the company's ultimate holding company, by virtue of its indirect controlling interest in the equity capital of EJOT Invest International GmbH. The consolidated financial statements are prepared at the level of EJOT Holding GmbH & Co KG and are available at that company's registered office, Postfach 10 12 60, 57302 Bad Berleberg, Germany.