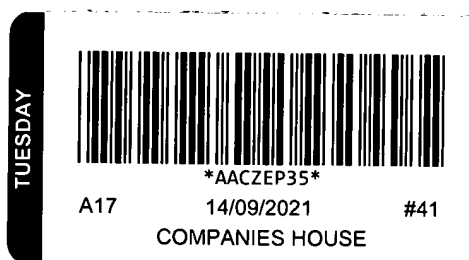


REGISTRAR

Registered number: 01969491

HANDTMANN LIMITED

**ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**



HANDTMANN LIMITED

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HANDTMANN LIMITED

COMPANY INFORMATION

Directors	T Handtmann A T Daniels H K Hahn
Registered number	01969491
Registered office	Moorgate House 201 Silbury Boulevard Milton Keynes MK9 1LZ
Independent auditors	MHA MacIntyre Hudson Chartered Accountants & Statutory Auditors Moorgate House 201 Silbury Boulevard Milton Keynes Buckinghamshire MK9 1LZ

HANDTMANN LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

Principal activity

The principal activity of the Company is Sales, Service and Maintenance of Industrial Filling and Portioning equipment. The majority is manufactured by the Parent Company but is complemented by other selected machinery suppliers. The equipment supplied is utilised throughout various divisions of the food manufacturing industry with a higher concentration in the Meat and Bakery Sectors.

Business review

The acquisition of Inotec GmbH by our parent company has resulted in the company taking full responsibility for Sales and Service through the UK and Ireland. The range of equipment compliments our existing machinery and will offer more opportunities into new market segments.

Investments have reduced due to the global impact of the Covid-19 pandemic. The reduction in staff movements and controls have delayed investments which were planned for 2020. These have now been rescheduled for 2021.

We have made changes and invested in our Green policy. The Company is continuing to reduce its carbon footprint, this includes a continued investment in recyclable packaging.

Principal risks and uncertainties

The Directors continue to review the market and any changes in trading conditions that could impact business, in particular the impact Brexit has on our import / export chain and any costs or changes in relation to the Company's needs. The Company will continue to examine the current economic climate and consider this when planning future approaches.

The Covid-19 pandemic and the ensuing economic shutdown has had a significant impact on the Company's operations. In response to the pandemic, the Directors have performed a robust analysis of forecast future cash flows. Taking into account the potential impact on the business of possible future scenarios arising from the impact of Covid-19, this also considers the need to mitigate any future challenges.

Credit Risk

In order to mitigate the impact of the Company being unable to recover funds from its customers, credit checks are performed on new customers, along with checks on existing customers to help review credit limits. Additionally, the Company includes provisions for doubtful debts in accounts where necessary.

Cash Flow Risk

Management regularly review the cash flow of the Company. The Company continues to be cash generative and has a strong bank balance. Cash flow forecasts are continually monitored in order to alert Directors of any future potential risks.

Stock Risk

All stock held is closely monitored and well protected. Regular reviews are carried out for signs of obsolescence.

HANDTMANN LIMITED


STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

Financial key performance indicators

Throughout the year we have faced difficult challenges and unprecedented disruption, despite this we have traded extremely well and efficiently, achieving a high turnover and profit.

	2020	2019	2018	2017	2016	2015
	£'000	£'000	£'000	£'000	£'000	£'000
Gross profit	6,217	6,480	5,511	5,431	5,079	5,237
Profit before tax	2,495	2,870	1,790	2,134	1,936	2,411

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


.....
A T Daniels
Director

Date: 3 March 2021

HANDTMANN LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

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

Directors

The directors who served during the year were:

T Handtmann
A T Daniels
H K Hahn

Directors' responsibilities statement

The directors are responsible for preparing the Strategic Report, the 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 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 of the profit or loss of the Company for that period.

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

- select suitable accounting policies for the Company's financial statements 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 to 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.

Results and dividends

The profit for the year, after taxation, amounted to £2,032,683 (2019 - £2,306,034).

Dividends paid have been disclosed in note 13.

Future developments

Expansion is continuing through new machinery developments; this is providing success into previously untargeted industry areas. The addition of the Inotec range of equipment now gives more opportunities to offer larger line solutions to our customers and a more consultative approach to our operations.

HANDTMANN LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

Company's policy for payment of creditors

The Company aims to settle all valid creditor invoices within their stated terms or as agreed with the individual suppliers if advantageous rates can be obtained for early settlement.

Employment, training and advancement of disabled persons

The Company continues to be an equal opportunities employer and undertakes a proactive training policy for the benefit of the staff as appropriate at all levels. Information regarding overall performance and news is produced regularly at group level and available to all staff.

Health and safety

The Company is a member of the British Safety Council and continually reviews the Health and Safety Policy to ensure maintenance of the high health and safety standards and record.

Pension

The Company continues to review its pension contributory policy to ensure it works above the minimum government standard this is done through the Company's Group Personal Pension Plan.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

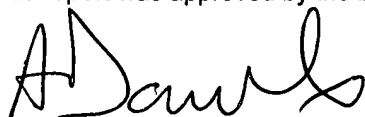
Post balance sheet events

There have been no significant events affecting the Company since the year end. The effects of the Covid-19 pandemic have been discussed in accounting policy 2.3.

Auditors

The auditors, MHA MacIntyre Hudson, 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.



A T Daniels
Director

Date: 3 March 2021

HANDTMANN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANDTMANN LIMITED

Opinion

We have audited the financial statements of Handtmann Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes, 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the entity's ability to continue to adopt the going concern basis of accounting included a review of budgets and forecasts and cash flow requirements of the entity.

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

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

HANDTMANN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANDTMANN LIMITED (CONTINUED)

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 Auditors' 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 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.

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.

HANDTMANN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANDTMANN LIMITED (CONTINUED)

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 4, 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 Auditors' Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Enquiry of management around actual and potential litigation and claims;
- Performing audit work over the risk of management override of controls, including testing of journals 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;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

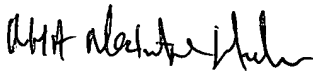
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

HANDTMANN LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HANDTMANN LIMITED (CONTINUED)

Use of our report

This report is made solely to the Company's members 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 Auditors' 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 for our audit work, for this report, or for the opinions we have formed.



Steven Moore BA ACA (Senior Statutory Auditor)

for and on behalf of
MHA MacIntyre Hudson

Chartered Accountants
Statutory Auditors

Moorgate House
201 Silbury Boulevard
Milton Keynes
Buckinghamshire
MK9 1LZ

Date: 23 April 2024

HANDTMANN LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020	2019
Turnover	4	13,555,076	15,084,900
Cost of sales		(7,337,512)	(8,604,704)
Gross profit		6,217,564	6,480,196
Distribution costs		(103,749)	(142,128)
Administrative expenses		(3,610,155)	(3,521,768)
Other operating income	5	11,454	69,651
Operating profit	6	2,515,114	2,885,951
Interest receivable and similar income	10	2,189	6,602
Interest payable and expenses	11	(22,548)	(22,500)
Profit before tax		2,494,755	2,870,053
Tax on profit	12	(462,072)	(564,019)
Profit after tax		2,032,683	2,306,034
Retained earnings at the beginning of the year		4,904,424	3,675,890
Profit for the year		2,032,683	2,306,034
Dividends declared and paid	13	(1,677,500)	(1,077,500)
Retained earnings at the end of the year		5,259,607	4,904,424

There were no recognised gains and losses for 2020 or 2019 other than those included in the statement of income and retained earnings.

The notes on pages 16 to 32 form part of these financial statements.

HANDTMANN LIMITED
REGISTERED NUMBER: 01969491

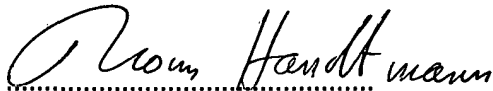
BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020	2019
Fixed assets			
Tangible assets	14	299,226	349,388
		<u>299,226</u>	<u>349,388</u>
Current assets			
Stocks	15	4,025,841	4,126,629
Debtors: amounts falling due within one year	16	2,657,809	2,664,708
Cash at bank and in hand	17	2,783,354	2,069,253
		<u>9,467,004</u>	<u>8,860,590</u>
Creditors: amounts falling due within one year	18	(2,738,424)	(2,510,311)
Net current assets		<u>6,728,580</u>	<u>6,350,279</u>
Total assets less current liabilities		<u>7,027,806</u>	<u>6,699,667</u>
Creditors: amounts falling due after more than one year	19	(750,000)	(750,000)
Provisions for liabilities			
Deferred tax	20	(13,399)	(39,267)
Other provisions	21	(54,800)	(55,976)
		<u>(68,199)</u>	<u>(95,243)</u>
Net assets		<u>6,209,607</u>	<u>5,854,424</u>
Capital and reserves			
Called up share capital	23	950,000	950,000
Profit and loss account	22	5,259,607	4,904,424
		<u>6,209,607</u>	<u>5,854,424</u>

HANDTMANN LIMITED
REGISTERED NUMBER: 01969491

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

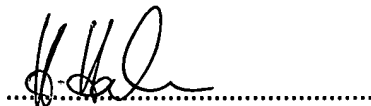
The financial statements were approved and authorised for issue by the board and were signed on its behalf on 3 March 2021.



T Handtmann
Director



A T Daniels
Director



H K Hahn
Director

The notes on pages 16 to 32 form part of these financial statements.

HANDTMANN LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020**

	2020	2019
Cash flows from operating activities		
Profit for the financial year	2,032,683	2,306,034
Adjustments for:		
Amortisation of intangible assets	-	278
Depreciation of tangible assets	163,249	194,320
Profit on disposal of tangible assets	(24,743)	(23,460)
Government grants	(8,547)	-
Interest paid	22,548	22,500
Interest received	(2,189)	(6,602)
Decrease in stocks	100,788	366,082
Decrease/(increase) in debtors	6,899	(209,142)
Increase in creditors	619,054	524,358
(Decrease) in amounts owed to groups	(115,083)	(1,294,165)
(Decrease)/increase in provisions	(1,176)	12,748
Corporation tax (paid)/received	(301,726)	123,104
Net cash generated from operating activities	2,491,757	2,016,055
Cash flows from investing activities		
Purchase of tangible fixed assets	(113,087)	(160,514)
Sale of tangible fixed assets	24,743	38,850
Government grants received	8,547	-
Interest received	2,189	6,602
Net cash from investing activities	(77,608)	(115,062)

HANDTMANN LIMITED

STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
Cash flows from financing activities		
Dividends paid	(1,677,500)	(1,077,500)
Interest paid	(22,548)	(22,500)
Net cash used in financing activities	(1,700,048)	(1,100,000)
Net increase in cash and cash equivalents	714,101	800,993
Cash and cash equivalents at beginning of year	2,069,253	1,268,260
Cash and cash equivalents at the end of year	2,783,354	2,069,253
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	2,783,354	2,069,253
	2,783,354	2,069,253

The notes on pages 16 to 32 form part of these financial statements.

HANDTMANN LIMITED

**ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	At 1 January 2020	Cash flows	At 31 December 2020
Cash at bank and in hand	2,069,253	714,101	2,783,354
Debt due after 1 year	(750,000)	-	(750,000)
	<u>1,319,253</u>	<u>714,101</u>	<u>2,033,354</u>

The notes on pages 16 to 32 form part of these financial statements.

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. General information

Handtmann Limited is a private Company limited by shares, domiciled in England, registered number 01969491. The registered office is Moorgate House, 201 Silbury Boulevard, Milton Keynes, MK9 1LZ. The principal place of business is Unit 9, Chartmoor Road, Leighton Buzzard, LU7 4WG.

The principal activity of the Company is the sales, service and maintenance of industrial filling and portioning equipment manufactured by the parent Company and other selected machinery suppliers. The equipment is utilised throughout various divisions of the food manufacturing industry with a greater concentration in the meat processing and bakery sector.

Figures in the financial statements and the notes have been rounded to the nearest whole number in GBP.

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 judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.2 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.3 Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment.

The COVID-19 pandemic and the ensuing economic shutdown has had a significant impact on the company's operations. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity, the Directors have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.4 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.

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 profit or loss during the period in which they are incurred.

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.

Depreciation is provided on the following basis:

Long-term leasehold property	- 10% straight line
Plant and machinery	- 10% - 33.33% straight line
Motor vehicles	- 35% straight line
Fixtures and fittings	- 15% straight line
Demo and rental machines	- 10% and over the lease term

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.

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.

2.5 Operating leases

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

2.6 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 first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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 profit or loss.

2.7 Debtors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.8 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

In the Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Company's cash management.

2.9 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, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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.

2.10 Creditors

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

2.12 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.13 Finance costs

Finance costs are 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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

2. Accounting policies (continued)

2.15 Pensions

Defined contribution pension plan

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.

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Income and Retained Earnings in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.17 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, 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

2. Accounting policies (continued)

2.18 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Income and Retained Earnings at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

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

In the application of the Company's accounting policies, which are described in note 2, management have been required to make judgements, estimates and assumptions. These estimates which relate to the carrying values of stocks, recoverability of debtors, and the depreciation rates applicable to fixed assets, which are not readily available from other sources, are based on underlying assumptions and experience. Actual results may differ from these estimates. These estimates and assumptions are reviewed on an on-going basis.

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

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting period:

(a) Determining net realisable value of inventories

In determining the net realisable value of inventories, management takes into account the most reliable evidence available at the dates the estimates are made. The Company's core business is subject to technology changes which may cause inventory obsolescence. Moreover, future realisation of the carrying amount of inventories is affected by price changes in different market segments. Both aspects are considered key sources of estimation uncertainty and may cause significant adjustments to the Company's inventories within the next financial reporting period.

(b) Estimating useful lives of property, plant and equipment

The Company estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available to use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the assets.

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Turnover

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

	2020	2019
Sales of goods	12,042,028	13,475,555
Rendering of services	1,513,048	1,609,345
	<u>13,555,076</u>	<u>15,084,900</u>

Analysis of turnover by country of destination:

	2020	2019
United Kingdom	12,009,841	13,930,168
Rest of Europe	1,545,235	1,152,415
Rest of the world	-	2,317
	<u>13,555,076</u>	<u>15,084,900</u>

5. Other operating income

	2020	2019
Insurance claim	-	69,651
Government grants received	8,547	-
Commissions receivable	2,907	-
	<u>11,454</u>	<u>69,651</u>

6. Operating profit

The operating profit is stated after charging:

	2020	2019
Other operating lease rentals	<u>73,650</u>	<u>68,943</u>

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Auditors' remuneration

	2020	2019
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>11,650</u>	<u>15,250</u>
Fees payable to the Company's auditor in respect of:		
Taxation compliance services	1,950	1,900
Preparation of statutory accounts	2,000	2,000
All other services	19,732	9,761
	<u>23,682</u>	<u>13,661</u>

8. Employees

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

	2020	2019
Wages and salaries	2,361,179	2,207,627
Social security costs	289,371	275,021
Cost of defined contribution scheme	145,536	174,648
	<u>2,796,086</u>	<u>2,657,296</u>

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

	2020 No.	2019 No.
Administration	4	3
Service	17	16
Sales	15	14
Logistics	4	4
	<u>40</u>	<u>37</u>

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Directors' remuneration

	2020	2019
Directors' emoluments	231,834	159,942
Company contributions to defined contribution pension schemes	17,700	17,010
	<u>249,534</u>	<u>176,952</u>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

Key management personnel

Key management personnel is deemed to be the Directors only.

10. Interest receivable

	2020	2019
Other interest receivable	<u>2,189</u>	<u>6,602</u>

11. Interest payable and similar expenses

	2020	2019
Preference share dividends	22,500	22,500
Other interest payable	<u>48</u>	<u>-</u>

12. Taxation

	2020	2019
Corporation tax		
Current tax on profits for the year	<u>487,940</u>	<u>553,536</u>
Deferred tax		
Origination and reversal of timing differences	<u>(25,868)</u>	<u>10,483</u>
Taxation on profit on ordinary activities	<u>462,072</u>	<u>564,019</u>

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

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

The tax assessed for the year is lower than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020	2019
Profit on ordinary activities before tax	<u>2,494,755</u>	<u>2,870,053</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	474,003	545,310
Effects of:		
Profit and loss adjustments for tax purposes	930	4,796
Depreciation for the year in excess of capital allowances	13,007	3,430
Movement on deferred tax	(25,868)	10,483
Total tax charge for the year	<u>462,072</u>	<u>564,019</u>

Factors that may affect future tax charges

There were no factors that may affect future changes.

13. Dividends

	2020	2019
Equity dividends paid on ordinary redeemable non-voting shares	1,448,018	930,098
Equity dividends paid on ordinary shares	229,482	147,402
Dividends paid on shares classed as debt	22,500	22,500
	<u>1,700,000</u>	<u>1,100,000</u>

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

14. Tangible fixed assets

	Long-term leasehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Total
Cost or valuation					
At 1 January 2020	373,818	469,814	414,094	135,234	1,392,960
Additions	6,922	11,305	87,965	6,895	113,087
Disposals	-	-	(105,003)	-	(105,003)
At 31 December 2020	<u>380,740</u>	<u>481,119</u>	<u>397,056</u>	<u>142,129</u>	<u>1,401,044</u>
Depreciation					
At 1 January 2020	243,004	377,262	306,774	116,532	1,043,572
Charge for the year on owned assets	30,794	40,117	86,282	6,056	163,249
Disposals	-	-	(105,003)	-	(105,003)
At 31 December 2020	<u>273,798</u>	<u>417,379</u>	<u>288,053</u>	<u>122,588</u>	<u>1,101,818</u>
Net book value					
At 31 December 2020	<u>106,942</u>	<u>63,740</u>	<u>109,003</u>	<u>19,541</u>	<u>299,226</u>
At 31 December 2019	<u>130,814</u>	<u>92,552</u>	<u>107,320</u>	<u>18,702</u>	<u>349,388</u>

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Stocks

	2020	2019
Finished goods and goods for resale	<u>4,025,841</u>	<u>4,126,629</u>

16. Debtors

	2020	2019
Trade debtors	2,363,717	2,497,594
Other debtors	15,449	-
Prepayments and accrued income	278,643	167,114
	<u>2,657,809</u>	<u>2,664,708</u>

17. Cash and cash equivalents

	2020	2019
Cash at bank and in hand	<u>2,783,354</u>	<u>2,069,253</u>

18. Creditors: Amounts falling due within one year

	2020	2019
Trade creditors	159,383	306,299
Amounts owed to group undertakings	722,024	837,107
Corporation tax	1,849	277,707
Other taxation and social security	1,283,860	554,377
Other creditors	733	-
Accruals and deferred income	570,575	534,821
	<u>2,738,424</u>	<u>2,510,311</u>

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

19. Creditors: Amounts falling due after more than one year

	2020	2019
Share capital treated as debt	<u>750,000</u>	<u>750,000</u>

Secured loans

Disclosure of the terms and conditions attached to the non-equity shares is made in note 24.

20. Deferred taxation

	2020	2019
At beginning of year	39,267	28,784
Charged to profit or loss	(25,868)	10,483
At end of year	<u>13,399</u>	<u>39,267</u>

The provision for deferred taxation is made up as follows:

	2020	2019
Accelerated capital allowances	26,168	40,823
Provisions	(12,769)	(1,556)
	<u>13,399</u>	<u>39,267</u>

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

21. Provisions

	Leasehold dilapidations provision	Warranty provision	Total
At 1 January 2020	32,400	23,576	55,976
Charged to profit or loss	3,600	-	3,600
Utilised in year	-	(4,776)	(4,776)
At 31 December 2020	36,000	18,800	54,800

Leasehold dilapidation provision

Under the terms of the lease the Company is required to meet any dilapidations costs at the termination of the lease in 2030.

Warranty provision

The Company provides warranties at a fixed rate based on actual machine sales completed during the period. All warranty work is recorded as part of service activity and provided for on a monthly basis.

22. Reserves**Profit and loss account**

The profit and loss account contains all current and prior year retained profits and losses.

23. Share capital

	2020	2019
Shares classified as equity		
Allotted, called up and fully paid		
130,000 (2019 - 130,000) Ordinary shares of £1.00 each	130,000	130,000
820,000 (2019 - 820,000) Redeemable ordinary shares of £1.00 each	820,000	820,000
	950,000	950,000
Shares classified as debt		
Allotted, called up and fully paid		
750,000 (2019 - 750,000) 3% redeemable (non-voting) preference shares of £1.00 each	750,000	750,000

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

23. Share capital (continued)

Redeemable ordinary shares carry full voting rights (on a show of hands, every member shall have one vote and on a poll, every member shall have one vote for every share of which they are a holder), receive notices and can attend meetings.

The Redeemable ordinary shares rank pari passu with the ordinary shares of the Company except for the following provisions:

i) The Company may redeem the whole or any part of those shares by giving no less than three months notice in writing. There shall be no premium paid on redemption.

ii) The 3% redeemable cumulative preference shares carry the right to a fixed dividend of 3% per annum payable in arrears within three months of the year end. In the event of the Company being wound up the shares carry the right to receive the capital paid up and any arrears of dividend. They carry no other rights to participation in the profit or assets of the Company.

24. Capital commitments

At 31 December 2020 the Company had capital commitments as follows:

	2020	2019
Contracted for but not provided in these financial statements	-	66,564

25. Pension commitments

During the year the Company paid pension contributions of £145,536 (2019 - £174,648) into a defined contributions scheme (earmarked money purchase scheme). There were no outstanding contributions at 31 December 2020 or 31 December 2019.

26. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020	2019
Not later than 1 year	175,519	165,491
Later than 1 year and not later than 5 years	431,357	465,564
Later than 5 years	-	88,497
	<u>606,876</u>	<u>719,552</u>

HANDTMANN LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

27. Related party transactions

Consolidated accounts are available to the public upon request from:

Handtmann Beteiligungen GmbH
Arthur-Handtmann-Str.23
88400 Biberach
Germany

Handtmann Limited are Trustees of The Handtmann Limited Retirement Benefit Scheme. During the year the company paid pension contributions to the scheme totalling £nil (2019 - £2,135).

28. Controlling party

The ultimate parent undertaking is Handtmann Auslands-Beteiligungen GmbH, a Company registered in Germany.

The ultimate controlling party is Arthur Handtmann Familienstiftung.