

FELDBINDER (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

Whiting & Partners
Chartered Accountants & Business Advisers
12/13 The Crescent
Wisbech
Cambs
PE13 1EH

FELDBINDER (UK) LIMITED

COMPANY INFORMATION

Director	N L Kley
Company secretary	D Feldbinder
Registered number	346642
Registered office	27 Bridge Road Sutton Bridge Spalding Lincs PE12 9XE
Independent auditors	Whiting & Partners Chartered Accountants & Statutory Auditor 12/13 The Crescent Wisbech Cams PE13 1EH
Bankers	Barclays Bank plc 10 Hall Place Spalding Lincs PE11 1SR
Solicitors	Bambridge 27 Wide Bargate Boston Lincs PE21 6SW

FELDBINDER (UK) LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Director's report	3 - 4
Independent auditors' report	5 - 9
Statement of comprehensive income	10
Balance sheet	11 - 12
Statement of changes in equity	13
Analysis of net debt	14
Notes to the financial statements	15 - 34

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

Introduction

The director aims to present a balanced review of the company's performance and development during the year that is consistent with the size and nature of the business and that also covers the principal risks and uncertainties faced by the company.

Business review

The principal activity of the company during the year under review was the sale of tankers for the transportation of powdered and liquid products by road, rail and sea and related after sales business including the spare parts and repair shop.

The company faced significant difficulties during the year as a result of the onset of the COVID-19 pandemic and the uncertainty surrounding the possibility of a no-deal scenario arising at the end of the Brexit transition period. In spite of these challenges the company experienced an active market, namely due to the majority of customers served operating within key industries. In addition and in order to mitigate the negative implications of a no-deal Brexit the group looked to prioritise UK new tank orders which has resulted in the increased turnover and profit generated in 2020.

The director is pleased to report a rise in turnover to £29,184,379 (2019 - £18,751,496). The company generated a gross profit of £1,731,720 (2019 - £1,384,518) resulting in a slightly reduced margin of 6% (2019 - 7%). Profit before tax increased to £582,182 (2019 - £124,156)

Principal risks and uncertainties

In the course of normal business, the director continually assesses significant risks faced and takes action to mitigate the potential impact.

The following risks, whilst not intended to be a comprehensive analysis, constitute (in the opinion of the director) the principal risks and uncertainties currently facing the company.

Economic conditions - the company operates in an industry which can be susceptible to adverse economic conditions through decreased business activity. Although the director acknowledges this risk, the core offering of the company is well diversified to combat this.

Competitive pressures - the company operates in a highly competitive industry and faces competition from a number of sources. This competition may lead to pricing pressure which could result in squeezed profit margins and potential loss of business to other market players. The director continually monitors this risk and the company holds a strong position in the market and is highly regarded within the industry.

Regulation - the company operates in an industry which is subject to numerous laws and regulations covering a wide range of matters including health & safety, employment and other operating issues. The company is continually ensuring that the compliance demands of these regulatory factors are met and the director has ensured that the policies and culture in relation to this are well communicated to all employees.

Brexit - whilst the UK and EU agreed a trade deal days before the transition deadline, the lateness of the agreement makes it difficult to anticipate how the ongoing ramifications and practicalities of the trade deal will affect the company and the group going forwards.

COVID-19 (Coronavirus) - the company continues to monitor the situation and take appropriate actions, including the use of UK government assistance where necessary to protect our colleagues, whilst minimising the business

impact and continuing to meet customer demand. The projected length of this global health crisis and the fallout

on the UK and global economies remains unknown and therefore the exact impact on our activities in the remainder of 2021 and thereafter cannot be predicted with certainty at this time.

FELDBINDER (UK) LIMITED

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

Financial key performance indicators

The director considers the key performance indicators of the business to be turnover, gross profit, gross margin and profit before tax.

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D Feldbinder

Secretary

Date: 26 March 2021

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The director presents her report and the financial statements for the year ended 31 December 2020.

Director's responsibilities statement

The director is responsible for preparing the Strategic report, the Director's report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless she is 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 director is 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 director is 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 her to ensure that the financial statements comply with the Companies Act 2006. She is 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 £748,628 (2019 - £96,641).

Particulars of dividends paid during the current and prior year can be found in note 24. No dividends have been proposed at the yearend (2019: £NIL).

Director

The director who served during the year was:

N L Kley

Future developments

Looking forward to 2021 the director is pleased that the UK and EU reached a trade deal before the transition deadline. The lateness of the agreement means that there is uncertainty surrounding the ongoing impact and practicalities of the trade deal and how this will impact the company and the group going forwards. As such and as in the previous year the director anticipates the company will consolidate its position within the UK market but does not expect see further significant growth in the foreseeable future.

FELDBINDER (UK) LIMITED

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

Disclosure of information to auditors

The director at the time when this Director's report is approved has confirmed that:

- so far as she is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- she 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

The COVID-19 pandemic and the newly agreed UK/EU trade deal have had an ongoing impact on the company subsequent to the year end.

Operations have continued to ensure the demand of customers is met, whilst adhering to government guidelines.

Auditors

The auditors, Whiting & Partners, 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.

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D Feldbinder
Secretary

Date: 26 March 2021

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF FELDBINDER (UK) LIMITED

Opinion

We have audited the financial statements of Feldbinder (UK) Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of changes in equity and 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.

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 director with respect to going concern are described in the relevant sections of this report.

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

Other information

The director is 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 Director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Director's 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 Director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

FELDBINDER (UK) LIMITED

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

Responsibilities of directors

As explained more fully in the Director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

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

Auditors' responsibilities for the audit of the financial statements

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

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

The extent to which the audit was considered capable of detecting irregularities including fraud

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the bulk tanker manufacturing and supply sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006, taxation legislation and data protection, anti-bribery, employment, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

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

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

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

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

- agreeing financial statement disclosures to underlying supporting documentation;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators including the Health and Safety Executive, and the company's legal advisors.

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.

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 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, as a body, for our audit work, for this report, or for the opinions we have formed.

Mark Haydon BA CA (Senior statutory auditor)
for and on behalf of

Whiting & Partners

Chartered Accountants & Statutory Auditor

12/13 The Crescent

Wisbech

Cambs

PE13 1EH

17 September 2021

FELDBINDER (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	29,184,379	18,751,496
Cost of sales		(27,452,659)	(17,366,978)
Gross profit		1,731,720	1,384,518
Distribution costs		(223,557)	(184,363)
Administrative expenses		(870,932)	(1,036,420)
Operating profit	6	637,231	163,735
Interest receivable and similar income	9	2,250	5,506
Interest payable and expenses	10	(57,299)	(45,085)
Profit before tax		582,182	124,156
Tax on profit	11	166,446	(27,515)
Profit for the financial year		748,628	96,641

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

There was no other comprehensive income for 2020 (2019:£NIL).

The notes on pages 15 to 34 form part of these financial statements.

FELDBINDER (UK) LIMITED

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	12	185,331	1,680,291
		<u>185,331</u>	<u>1,680,291</u>
Current assets			
Stocks	13	4,078,810	1,727,150
Debtors: amounts falling due within one year	14	4,638,500	4,257,401
Cash at bank and in hand	15	2,927,463	1,082,860
		<u>11,644,773</u>	<u>7,067,411</u>
Creditors: amounts falling due within one year	16	(10,446,329)	(7,817,378)
Net current assets/(liabilities)		<u>1,198,444</u>	<u>(749,967)</u>
Total assets less current liabilities		<u>1,383,775</u>	<u>930,324</u>
Creditors: amounts falling due after more than one year	17	(4,731)	(17,023)
		<u>1,379,044</u>	<u>913,301</u>
Provisions for liabilities			
Deferred taxation	21	(25,066)	(307,951)
		<u>(25,066)</u>	<u>(307,951)</u>
Net assets		<u><u>1,353,978</u></u>	<u><u>605,350</u></u>

FELDBINDER (UK) LIMITED
REGISTERED NUMBER: 346642

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Capital and reserves			
Called up share capital	23	50,000	<i>50,000</i>
Profit and loss account	22	1,303,978	<i>555,350</i>
		<u>1,353,978</u>	<u><i>605,350</i></u>

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

.....
N L Kley
Director

Date: 26 March 2021

The notes on pages 15 to 34 form part of these financial statements.

FELDBINDER (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Called up share capital	Revaluation reserve	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	50,000	849,393	1,909,316	2,808,709
Profit for the year	-	-	96,641	96,641
Reduction on bonus share issue	-	(849,393)	-	(849,393)
Bonus shares issued during the year	849,393	-	-	849,393
Shares capital reduction	(849,393)	-	-	(849,393)
Realised profits as a result of the share capital reduction	-	-	849,393	849,393
Equity dividend	-	-	(2,300,000)	(2,300,000)
At 1 January 2020	50,000	-	555,350	605,350
Profit for the year	-	-	748,628	748,628
At 31 December 2020	50,000	-	1,303,978	1,353,978

The notes on pages 15 to 34 form part of these financial statements.

FELDBINDER (UK) 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	1,082,860	1,844,603	2,927,463
Debt due within 1 year	(2,282,976)	1,363,641	(919,335)
Finance leases	(32,394)	15,872	(16,522)
	<u>(1,232,510)</u>	<u>3,224,116</u>	<u>1,991,606</u>

The notes on pages 15 to 34 form part of these financial statements.

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

1. General information

Feldbinder (UK) Limited is a private company, limited by shares, and is incorporated in England and Wales with a registration number of 00346642. The registered office is shown in the company information.

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.

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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.

Specifically in relation to new tank sales, the revenue is recognised at the point when the pre-delivery inspection has been completed.

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

2. Accounting policies (continued)

2.3 Statement of cash flows

The company has taken advantage of the disclosure in exemption in FRS 102 to not include a cash flow statement in the financial statements on the basis that it is a member of a group where the parent produces consolidated financial statements which include the company that are publicly available.

The parent company has been notified in writing and does not object to the use of this disclosure exemption.

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.

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on the following bases:.

Freehold buildings	-	2.5% per annum of cost or revalued amount
Plant & machinery	-	3.03% - 20% per annum of cost
Motor vehicles	-	16.67% per annum of cost
Fixtures & fittings	-	6.67% to 20% per annum of cost

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 profit or loss.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss 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.

2.6 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 weighted average 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.

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

2. Accounting policies (continued)

2.7 Debtors

Short term debtors are measured at transaction price, less any impairment.

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.

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.

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 comprehensive income.

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.

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.

2.11 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 profit or loss 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 comprehensive income in the same period as the related expenditure.

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

2. Accounting policies (continued)

2.12 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 profit or loss 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 comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.13 Finance costs

Finance costs are charged to profit or loss 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.

2.15 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

2. Accounting policies (continued)

2.16 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 comprehensive income 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.

2.17 Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

2.18 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.19 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 profit or loss 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.

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

2. Accounting policies (continued)

2.20 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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**

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

Preparation of the financial statements requires management to make significant judgments and estimates. The items in the financial statements where these judgments and estimates have been made include the following:

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed on an annual basis and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values. Depreciation charged to the Profit & Loss account is disclosed in note 12.

When determining whether there are any indicators of impairment in relation to the company's tangible assets various factors are taken into account prior to reaching a decision, these include the economic viability and expected future financial performance of the asset.

Warranty provision - in the main, warranty liability falls with the parent company in respect of new and used tank sales as these are not manufactured by the UK company. However, the UK company bears liability in respect of servicing and repair works carried out locally, the warranty period in respect of these works is 12 months. The provision in relation to these warranty costs is recognised as a percentage of the related sales value, this is in the experience of management the best estimate of the potential costs that could be borne by the UK company.

Stock is recognised at the lower of cost and net realisable value in relation to raw materials. Included in the stock figure is work in progress that is valued based on the level of completion.

Provision for obsolete stocks - stock categories are reviewed on a regular basis for slow moving and obsolete items. Where the items recoverable amount is considered to be less than its initial cost value an estimate is made for this difference. The company's policy for such items is to make a provision of 30% of its cost where the item is between 1 and 2 years old, 60% of its cost where the item is between 2 and 5 years old and 90% of its cost where the item is greater than 5 years old. At the Balance Sheet date the estimated provision amounted to £141,169 (2019: £120,932).

FELDBINDER (UK) 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 £
Tank sales	25,927,219	15,067,028
Aftersales and other services	3,212,889	3,684,468
Government grants received	44,272	-
	<u>29,184,380</u>	<u>18,751,496</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	28,762,431	18,475,763
Rest of Europe	421,948	272,341
Rest of the world	-	3,392
	<u>29,184,379</u>	<u>18,751,496</u>

5. Government grants received

	2020 £	2019 £
CJRS grant income received	44,272	-
	<u>44,272</u>	<u>-</u>

6. Operating profit

The operating profit is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets	60,076	57,921
Exchange differences	<u>2,648</u>	<u>8,557</u>

FELDBINDER (UK) 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 accounts	15,750	15,000
	<u>15,750</u>	<u>15,000</u>

8. Employees

Staff costs were as follows:

	2020 £	2019 £
Wages and salaries	898,810	839,860
Social security costs	92,400	83,690
	<u>991,210</u>	<u>923,550</u>

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

	2020 No.	2019 No.
Production staff	19	18
Administration and management staff	5	5
	<u>24</u>	<u>23</u>

9. Interest receivable

	2020 £	2019 £
Other interest receivable	2,250	5,506
	<u>2,250</u>	<u>5,506</u>

FELDBINDER (UK) LIMITED

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

10. Interest payable and similar expenses

	2020 £	2019 £
Other loan interest payable	55,891	43,175
Finance leases and hire purchase contracts	1,408	1,910
	<u>57,299</u>	<u>45,085</u>

11. Taxation

	2020 £	2019 £
Corporation tax		
Current tax on profits for the year	116,439	35,469
	<u>116,439</u>	<u>35,469</u>
Total current tax	<u>116,439</u>	<u>35,469</u>
Deferred tax		
Origination and reversal of timing differences	(282,885)	(7,954)
Total deferred tax	<u>(282,885)</u>	<u>(7,954)</u>
Taxation on profit on ordinary activities	<u>(166,446)</u>	<u>27,515</u>

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

11. 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>582,182</u>	<u>124,156</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	110,615	23,590
Effects of:		
Expenses not deductible for tax purposes	1,114	3,925
Capital allowances for year in excess of depreciation	(2,115)	7,954
Changes in provisions leading to an increase (decrease) in the tax charge	6,825	-
Deferred tax - including adjustments arising on sale of property	<u>(282,885)</u>	<u>(7,954)</u>
Total tax charge for the year	<u>(166,446)</u>	<u>27,515</u>

Factors that may affect future tax charges

The general balance of the deferred taxation provision could alter if the UK Government's proposals to increase full rate Corporation Tax for 2023 from 19% to 25% are enacted by the UK Parliament.

FELDBINDER (UK) LIMITED

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

12. Tangible fixed assets

	Freehold property £	Plant & machinery £	Motor vehicles £	Fixtures & fittings £	Total £
Cost or valuation					
At 1 January 2020	1,500,000	1,926,971	119,869	1,011,566	4,558,406
Additions	-	21,320	-	3,431	24,751
Disposals	(1,500,000)	-	-	-	(1,500,000)
At 31 December 2020	-	1,948,291	119,869	1,014,997	3,083,157
Depreciation					
At 1 January 2020	19,375	1,871,468	52,075	935,197	2,878,115
Charge for the year on owned assets	20,990	12,560	7,919	6,627	48,096
Charge for the year on financed assets	-	-	11,980	-	11,980
Disposals	(40,365)	-	-	-	(40,365)
At 31 December 2020	-	1,884,028	71,974	941,824	2,897,826
Net book value					
At 31 December 2020	-	64,263	47,895	73,173	185,331
At 31 December 2019	<u>1,480,625</u>	<u>55,503</u>	<u>67,794</u>	<u>76,369</u>	<u>1,680,291</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor vehicles	33,562	45,542
	<u>33,562</u>	<u>45,542</u>

FELDBINDER (UK) LIMITED

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

13. Stocks

	2020 £	2019 £
Raw materials and consumables	544,713	559,407
Work in progress (goods to be sold)	47,940	79,752
Finished goods and goods for resale	3,486,157	1,087,991
	<u>4,078,810</u>	<u>1,727,150</u>

Stock recognised in cost of sales during the year as an expense was £29,218,007 (2019 - £17,962,067) . Impairment losses totalling £141,169 (2019 - £120,932) were recognised in profit and loss.

14. Debtors

	2020 £	2019 £
Trade debtors	4,423,681	4,132,013
Amounts owed by group undertakings	186,122	79,785
Other debtors	15,897	33,003
Prepayments and accrued income	12,800	12,600
	<u>4,638,500</u>	<u>4,257,401</u>

An impairment loss of £6,150 (2019: £6,150) was provided against trade debtors.

15. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	2,927,463	1,082,860
	<u>2,927,463</u>	<u>1,082,860</u>

FELDBINDER (UK) LIMITED

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

16. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	79,336	111,470
Amounts owed to group undertakings	3,378,704	3,091,853
Loans owed to group undertakings	919,335	2,282,976
Corporation tax	116,439	35,469
Other taxation and social security	1,951,912	837,600
Obligations under finance lease and hire purchase contracts	11,791	15,371
Other creditors	73,318	26,095
Accruals and deferred income	3,915,494	1,416,544
	<u>10,446,329</u>	<u>7,817,378</u>

	2020 £	2019 £
Other taxation and social security		
PAYE/NI control	27,874	26,891
VAT control	1,924,038	810,709
	<u>1,951,912</u>	<u>837,600</u>

The following liabilities were secured:

	2020 £	2019 £
Obligations under finance lease and hire purchase contracts	11,791	15,371
	<u>11,791</u>	<u>15,371</u>

Details of security provided:

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

FELDBINDER (UK) LIMITED

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

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

	2020	<i>2019</i>
	£	<i>£</i>
Net obligations under finance leases and hire purchase contracts	4,731	<i>17,023</i>
	4,731	<i>17,023</i>

The following liabilities were secured:

	2020	<i>2019</i>
	£	<i>£</i>
Net obligations under finance leases and hire purchase contracts	4,731	<i>17,023</i>
	4,731	<i>17,023</i>

Details of security provided:

Net obligations under finance leases and hire purchase contracts are secured on the assets to which they relate.

18. Loans

Analysis of the maturity of loans is given below:

	2020	<i>2019</i>
	£	<i>£</i>
Amounts falling due within one year		
Loans owed to group undertakings	919,335	<i>2,282,976</i>
	919,335	<i>2,282,976</i>

The loan outstanding at the yearend is owed to the parent company, Feldbinder Spezialfahrzeugwerke GmbH. The loan is unsecured and repayment is due 31st December 2021, although extensions of the term can be made by agreement between the invested parties.

Interest is charged on the loan at 2.5% per annum, interest is calculated on a quarterly basis based on the outstanding loan amount.

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

19. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	11,791	15,371
Between 1-5 years	4,731	12,292
Over 5 years	-	4,731
	<u>16,522</u>	<u>32,394</u>

20. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>2,927,463</u>	<u>1,082,860</u>

Financial assets measured at fair value through profit or loss comprise of cash and cash equivalents.

21. Deferred taxation

	2020 £	2019 £
At beginning of year	(307,951)	(315,905)
Charged to profit or loss	282,885	7,954
At end of year	<u>(25,066)</u>	<u>(307,951)</u>

Deferred tax calculated at 19% (2019: 19%).

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(25,066)	(307,951)
	<u>(25,066)</u>	<u>(307,951)</u>

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

22. Reserves

Profit & loss account

Represents all current and prior period retained profits and losses, less dividends paid.

23. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
50,000 (2019 - 50,000) Ordinary shares of £1.00 each	<u>50,000</u>	<u>50,000</u>

Each share is entitled to one vote in any circumstances, each share is entitled pari passu to dividend payments or any other distribution; each share is entitled pari passu to participate in a distribution arising from a winding up of the company.

24. Dividends

	2020 £	2019 £
Dividends paid in year on the ordinary £1 shares	-	2,300,000
	<u>-</u>	<u>2,300,000</u>

25. Capital commitments

At the year end the amount of contracts entered into relating to capital expenditure not provided for in the financial statements was £NIL (2019: £NIL).

26. 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 £13,232 (2019: £10,532).

Contributions totalling £2,466 (2019: £2,723) were payable to the fund at the balance sheet date and are included in creditors.

FELDBINDER (UK) LIMITED

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

27. Commitments under operating leases

At 31 December 2020 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2020 £	2019 £
Not later than 1 year	99,019	10,345
Later than 1 year and not later than 5 years	356,557	-
Later than 5 years	527,407	-
	<u>982,983</u>	<u>10,345</u>

28. Related party transactions

Turnover includes £1,205,543 (2019: £1,467,686) of sales, on normal commercial terms, to the company's parent company and other companies within the same group.

During the year the company sold its UK site to a company within the group, sales proceeds totalled £1,500,000 at market rate. Subsequently rent is charged under normal commercial terms, total charge in the year was £12,349.

Cost of sales includes £28,486,749 (2019: £19,404,291) of purchases, on normal commercial terms, to the company's parent company and other companies within the same group. Rent was paid on normal commercial terms to a company within the group for the UK site after this was sold intergroup in November 2020.

The amount owed to the parent company at the Balance Sheet date was £3,378,704 (2019: £3,091,853).

Short term loans owed to the parent company at the Balance Sheet date was £919,335 (2019: £2,282,976). Interest is charged on the loan at 2.5% per annum, interest is calculated on a quarterly basis based on the outstanding loan amount.

Amounts owing to other group companies at the Balance Sheet date was £12,349 (2019: £NIL).

The amount owing from the parent company at the Balance Sheet date was £121,622 (2019: £79,785).

Amounts owing from other group companies at the Balance Sheet date was £64,500 (2019: £NIL).

The company operate a cash pooling agreement with it's parent company, at the Balance Sheet date the amount owed from group undertakings was £3,039 (2019: £41,813).

The total key management personnel compensation in the year was £NIL (2019: £NIL).

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

29. Post balance sheet events

The COVID-19 pandemic and the newly agreed UK/EU trade deal have had an ongoing impact on the company subsequent to the year end.

Operations have continued to ensure the demand of customers is met, whilst adhering to government guidelines.

30. Controlling party

The shares of the company are held by Feldbinder Spezialfahrzeugwerke GmbH, a company incorporated in Germany. Feldbinder Spezialfahrzeugwerke GmbH is owned by Feldbinder Verwaltungs-und Nachfolge GmbH and BKS Beteiligungen GmbH & Co. KG, these are considered to be the ultimate controlling parties of the company.

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