

REGISTERED NUMBER: 02535431 (England and Wales)

NEOPERL U.K. LIMITED
STRATEGIC REPORT, DIRECTORS' REPORT AND
AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Wallace Crooke
Chartered Accountants
& Registered Auditors
Wallace House
20 Birmingham Road
Walsall
West Midlands
WS1 2LT

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)

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FOR THE YEAR ENDED 31 DECEMBER 2021**

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NEOPERL U.K. LIMITED
COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021

DIRECTORS: Mr O Denzler
Ms M Kaiser
Mr F Wildfang
Mr K W Gates

SECRETARY: Ms M Kaiser

REGISTERED OFFICE: Nimrod Works
Enigma Park
Malvern
Worcestershire
WR14 1GH

REGISTERED NUMBER: 02535431 (England and Wales)

AUDITORS: Wallace Crooke
Chartered Accountants
& Registered Auditors
Wallace House
20 Birmingham Road
Walsall
West Midlands
WS1 2LT

BANKERS: Commerzbank AG
30 Gresham Street
London
EC2P 2XY

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

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

REVIEW OF BUSINESS

The company's turnover for 2021 was almost 17.2 million euros, which was an increase of approximately 14% over that of the previous year. Net profitability increased by approximately 60%.

PRINCIPAL RISKS AND UNCERTAINTIES

As a member of an international group, the company is subject to the uncertainties of global markets and the effect these can have on customers and suppliers. The actual geopolitical and ongoing pandemic situation has an impact on our global supply chain and our sales. The increasing inflation rates put pressure especially on all European markets as well as in the US. Material and transportation costs remain at a very high level.

The extent and duration of the actual global situation, especially the invasion by Russia into Ukraine, cannot be foreseen. Although the global sanitary market generally is resilient, we expect an uncertain decrease of the demand in the coming months which also will have an impact on the sales at Neoperl U.K. The business development is closely followed and monitored and management meetings are held on a frequent basis. The Neoperl Group is financially healthy and has enough liquid funds and free credit line lines to cover liquidity needs in case there are any.

The business can be affected by competition within the industry and fluctuations in worldwide exchange rates. These are mitigated to some extent by the company's trading links with other group companies.

The company is exposed to other financial risks including credit control and cash flow. The company has an established and structured approach to risk management under the control of the directors and senior management. The company also continues to benefit from considerable support provided from group headquarters in areas of general management, financial control and sales.

The company's production and sales are continually monitored by the directors and senior management. Other key performance indicators which communicate the company's financial performance and strength, for example gross margin, net profitability, and return on capital employed, are also regularly reviewed.

DEVELOPMENT AND PERFORMANCE

The company has continued to invest in capital equipment with total expenditure during 2021 of approximately 700,000 euros.

The directors remain committed to the development of the company's production techniques and manufacturing facilities, and will continue to devote resources to the needs of the business.

ON BEHALF OF THE BOARD:

Mr O Denzler - Director

3 May 2022

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)

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

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

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the production of waterflow regulators.

DIVIDENDS

A dividend of €3,500,000 was paid during the year.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

Mr O Denzler
Ms M Kaiser
Mr F Wildfang
Mr K W Gates

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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors Wallace Crooke will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

Mr O Denzler - Director

3 May 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NEOPERL U.K. LIMITED

Opinion

We have audited the financial statements of Neoperl U.K. Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Directors' Report, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF NEOPERL U.K. LIMITED

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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page three, 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 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 a Report of the Auditors 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.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation (ie. gives a true and fair view).

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
NEOPERL U.K. LIMITED**

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 a Report of the Auditors 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.

Martin Jones FCA (Senior Statutory Auditor)
for and on behalf of Wallace Crooke
Chartered Accountants
& Registered Auditors
Wallace House
20 Birmingham Road
Walsall
West Midlands
WS1 2LT

3 May 2022

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)**STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 €	2020 €
TURNOVER	4	17,261,084	15,208,844
Cost of sales		<u>(8,836,686)</u>	<u>(7,931,408)</u>
GROSS PROFIT		8,424,398	7,277,436
Administrative expenses		<u>(5,002,376)</u>	<u>(5,065,566)</u>
OPERATING PROFIT	6	3,422,022	2,211,870
Interest receivable and similar income		<u>13,894</u>	<u>10,767</u>
PROFIT BEFORE TAXATION		3,435,916	2,222,637
Tax on profit	7	<u>(713,249)</u>	<u>(532,500)</u>
PROFIT FOR THE FINANCIAL YEAR		2,722,667	1,690,137
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>2,722,667</u></u>	<u><u>1,690,137</u></u>

The notes form part of these financial statements

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)

BALANCE SHEET
31 DECEMBER 2021

	Notes	2021		2020	
		€	€	€	€
FIXED ASSETS					
Intangible assets	9		-		-
Tangible assets	10		5,111,668		5,725,031
Investments	11		<u>216,759</u>		<u>216,759</u>
			<u>5,328,427</u>		<u>5,941,790</u>
CURRENT ASSETS					
Stocks	12	2,101,063		1,380,857	
Debtors	13	2,531,430		4,751,157	
Cash at bank and in hand		<u>2,170,165</u>		<u>836,809</u>	
		6,802,658		6,968,823	
CREDITORS					
Amounts falling due within one year	14	<u>2,207,444</u>		<u>2,232,837</u>	
NET CURRENT ASSETS			<u>4,595,214</u>		<u>4,735,986</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,923,641		10,677,776
PROVISIONS FOR LIABILITIES	16		<u>57,020</u>		<u>33,822</u>
NET ASSETS			<u><u>9,866,621</u></u>		<u><u>10,643,954</u></u>
CAPITAL AND RESERVES					
Called up share capital	17		117		117
Retained earnings	18		<u>9,866,504</u>		<u>10,643,837</u>
SHAREHOLDERS' FUNDS			<u><u>9,866,621</u></u>		<u><u>10,643,954</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 3 May 2022 and were signed on its behalf by:

Mr O Denzler - Director

Ms M Kaiser - Director

The notes form part of these financial statements

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital €	Retained earnings €	Total equity €
Balance at 1 January 2020	117	10,953,700	10,953,817
Changes in equity			
Dividends	-	(2,000,000)	(2,000,000)
Total comprehensive income	-	1,690,137	1,690,137
Balance at 31 December 2020	<u>117</u>	<u>10,643,837</u>	<u>10,643,954</u>
Changes in equity			
Dividends	-	(3,500,000)	(3,500,000)
Total comprehensive income	-	2,722,667	2,722,667
Balance at 31 December 2021	<u>117</u>	<u>9,866,504</u>	<u>9,866,621</u>

The notes form part of these financial statements

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 €	2020 €
Cash flows from operating activities			
Cash generated from operations	1	6,046,283	2,717,792
Tax paid		<u>(526,825)</u>	<u>(417,063)</u>
Net cash from operating activities		<u>5,519,458</u>	<u>2,300,729</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(713,859)	(234,993)
Sale of tangible fixed assets		13,863	-
Interest received		<u>13,894</u>	<u>10,767</u>
Net cash from investing activities		<u>(686,102)</u>	<u>(224,226)</u>
Cash flows from financing activities			
Equity dividends paid		<u>(3,500,000)</u>	<u>(2,000,000)</u>
Net cash from financing activities		<u>(3,500,000)</u>	<u>(2,000,000)</u>
Increase in cash and cash equivalents		<u>1,333,356</u>	<u>76,503</u>
Cash and cash equivalents at beginning of year	2	836,809	760,306
Cash and cash equivalents at end of year	2	<u>2,170,165</u>	<u>836,809</u>

The notes form part of these financial statements

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

1. RECONCILIATION OF PROFIT FOR THE FINANCIAL YEAR TO CASH GENERATED FROM OPERATIONS

	2021	2020
	€	€
Profit for the financial year	2,722,667	1,690,137
Depreciation charges	1,290,961	1,418,039
Loss on disposal of fixed assets	22,398	-
Finance income	(13,894)	(10,767)
Taxation	<u>713,249</u>	<u>532,500</u>
	4,735,381	3,629,909
(Increase)/decrease in stocks	(720,206)	221,620
Decrease/(increase) in trade and other debtors	2,219,727	(1,268,169)
(Decrease)/increase in trade and other creditors	<u>(188,619)</u>	<u>134,432</u>
Cash generated from operations	<u><u>6,046,283</u></u>	<u><u>2,717,792</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2021

	31/12/21	1/1/21
	€	€
Cash and cash equivalents	<u>2,170,165</u>	<u>836,809</u>

Year ended 31 December 2020

	31/12/20	1/1/20
	€	€
Cash and cash equivalents	<u>836,809</u>	<u>760,306</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1/1/21	Cash flow	At 31/12/21
	€	€	€
Net cash			
Cash at bank and in hand	<u>836,809</u>	<u>1,333,356</u>	<u>2,170,165</u>
	<u>836,809</u>	<u>1,333,356</u>	<u>2,170,165</u>
Total	<u><u>836,809</u></u>	<u><u>1,333,356</u></u>	<u><u>2,170,165</u></u>

The notes form part of these financial statements

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)

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

1. STATUTORY INFORMATION

Neoperl U.K. Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Euro (€).

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in euro, which is the functional currency of the group. Monetary amounts in these financial statements are rounded to the nearest €.

The financial statements have been prepared on the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements present information about the company as an individual undertaking and not about its group. Group accounts have not been prepared as the inclusion of the subsidiary undertaking is not material for the purpose of giving a true and fair view.

Neoperl U.K. Limited is a wholly owned subsidiary of Neoperl Holding AG and the results of Neoperl U.K. Limited are included in the consolidated financial statements of Neoperl Holding AG, a company incorporated in Switzerland.

Going concern

At the time of reviewing the annual accounts and reporting, the economic environment is still suffering from the coronavirus pandemic and geopolitical situation. The extent and duration of these is difficult to foresee. However, the Neoperl Group is financially healthy and has enough liquid funds and free credit lines to cover any liquidity needs.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Goodwill

Goodwill arising on business combinations is capitalised, classified as an asset on the balance sheet and amortised on a straight line basis over its useful life. The period chosen for writing off goodwill is 10 years. The reason for choosing this period is it was regarded as an appropriate period over which the benefits from combining the businesses would have accrued. Provision is made for any impairment.

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 4%, 6.67%, and 7% on building cost
Plant and machinery	- 20% on straight line
Fixtures and fittings	- 40% and 20% on cost
Motor vehicles	- 30% on cost

No depreciation is provided on freehold land.

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Investments in subsidiaries

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****2. ACCOUNTING POLICIES - continued****Hire purchase and leasing commitments**

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION
UNCERTAINTY**

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

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

4. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	€	€
Production of water regulators	17,261,084	15,208,844
	<u>17,261,084</u>	<u>15,208,844</u>

An analysis of turnover by geographical market is given below:

	2021	2020
	€	€
United Kingdom	3,225,972	2,520,342
Europe	8,935,428	6,781,633
Asia	3,984,723	4,919,381
North America	886,074	876,201
South America	119,787	111,287
Africa	109,100	-
	<u>17,261,084</u>	<u>15,208,844</u>

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****5. EMPLOYEES AND DIRECTORS**

	2021	2020
	€	€
Wages and salaries	4,788,860	4,379,048
Social security costs	396,096	425,095
Other pension costs	<u>147,526</u>	<u>123,906</u>
	<u><u>5,332,482</u></u>	<u><u>4,928,049</u></u>

The average number of employees during the year was as follows:

	2021	2020
Directors and staff	27	26
Factory	<u>151</u>	<u>139</u>
	<u><u>178</u></u>	<u><u>165</u></u>

Directors' remuneration

	2021	2020
	€	€
Remuneration for qualifying services	218,744	188,474
Company pension contributions to money purchase schemes	<u>15,145</u>	<u>14,626</u>
	<u><u>233,889</u></u>	<u><u>203,100</u></u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>1</u>	<u>1</u>
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6. OPERATING PROFIT

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

	2021	2020
	€	€
Other operating leases	23,392	18,147
Depreciation - owned assets	1,290,961	1,418,039
Loss on disposal of fixed assets	22,398	-
Auditors' remuneration	40,575	38,250
Foreign exchange differences	<u>(96,043)</u>	<u>146,827</u>

7. TAXATION**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2021	2020
	€	€
Current tax:		
UK corporation tax	690,051	546,429
Deferred tax	<u>23,198</u>	<u>(13,929)</u>
Tax on profit	<u><u>713,249</u></u>	<u><u>532,500</u></u>

UK corporation tax has been charged at 19% (2020 - 19%).

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****7. TAXATION - continued****Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021 €	2020 €
Profit before tax	<u>3,435,916</u>	<u>2,222,637</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	652,824	422,301
Effects of:		
Expenses not deductible for tax purposes	4,315	104
Depreciation in excess of capital allowances	32,725	102,675
Foreign exchange differences	38,140	7,420
Adjustments to tax charge in respect of previous periods	<u>(14,755)</u>	<u>-</u>
Total tax charge	<u>713,249</u>	<u>532,500</u>

8. DIVIDENDS

	2021 €	2020 €
Final dividend	<u>3,500,000</u>	<u>2,000,000</u>

9. INTANGIBLE FIXED ASSETS

	Goodwill €
COST	
At 1 January 2021 and 31 December 2021	<u>1,078,996</u>
AMORTISATION	
At 1 January 2021 and 31 December 2021	<u>1,078,996</u>
NET BOOK VALUE	
At 31 December 2021	<u>-</u>
At 31 December 2020	<u>-</u>

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****10. TANGIBLE FIXED ASSETS**

	Freehold property €	Plant and machinery €	Fixtures and fittings €	Motor vehicles €	Totals €
COST					
At 1 January 2021	7,208,045	11,403,126	1,104,760	56,089	19,772,020
Additions	3,844	568,381	141,634	-	713,859
Disposals	-	(394,866)	-	-	(394,866)
At 31 December 2021	<u>7,211,889</u>	<u>11,576,641</u>	<u>1,246,394</u>	<u>56,089</u>	<u>20,091,013</u>
DEPRECIATION					
At 1 January 2021	3,223,882	9,859,058	907,960	56,089	14,046,989
Charge for year	433,080	723,409	134,472	-	1,290,961
Eliminated on disposal	-	(358,605)	-	-	(358,605)
At 31 December 2021	<u>3,656,962</u>	<u>10,223,862</u>	<u>1,042,432</u>	<u>56,089</u>	<u>14,979,345</u>
NET BOOK VALUE					
At 31 December 2021	<u>3,554,927</u>	<u>1,352,779</u>	<u>203,962</u>	<u>-</u>	<u>5,111,668</u>
At 31 December 2020	<u>3,984,163</u>	<u>1,544,068</u>	<u>196,800</u>	<u>-</u>	<u>5,725,031</u>

11. FIXED ASSET INVESTMENTS

	Shares in group undertakings €
COST	
At 1 January 2021 and 31 December 2021	<u>216,759</u>
NET BOOK VALUE	
At 31 December 2021	<u>216,759</u>
At 31 December 2020	<u>216,759</u>

The fixed asset investment represents the 100% ordinary shareholding in Malvern Plastics Limited, a company incorporated in England and Wales. This business has not traded during the year. The audited accounts of Malvern Plastics Limited at 31 December 2021 show capital and reserves of £216,759. The subsidiary's only asset is the amount due from the company.

12. STOCKS

	2021 €	2020 €
Finished goods and goods for resale	1,129,950	798,078
Raw materials and consumables	971,113	582,779
	<u>2,101,063</u>	<u>1,380,857</u>

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	€	€
Trade debtors	1,882,398	3,128,695
Other debtors	16,522	64,279
Amount due from parent company	500,000	1,500,000
Prepayments and accrued income	132,510	58,183
	<u>2,531,430</u>	<u>4,751,157</u>
14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR		
	2021	2020
	€	€
Trade creditors	896,411	1,109,385
Corporation tax	707,212	543,986
Social security and other taxes	186,780	207,858
Other creditors	101,613	-
Amounts due to group undertakings	217,633	217,633
Accruals and deferred income	97,795	153,975
	<u>2,207,444</u>	<u>2,232,837</u>
15. LEASING AGREEMENTS		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	2021	2020
	€	€
Within one year	31,174	23,455
Between one and five years	24,837	28,550
	<u>56,011</u>	<u>52,005</u>
16. PROVISIONS FOR LIABILITIES		
	2021	2020
	€	€
Deferred tax		
Accelerated capital allowances	<u>57,020</u>	<u>33,822</u>
		Deferred
		tax
		€
Balance at 1 January 2021		33,822
Provided during year		<u>23,198</u>
Balance at 31 December 2021		<u>57,020</u>

The deferred tax liability set out above is not expected to reverse within the next twelve months if the company continues its investment in plant and other tangible fixed assets in the following year.

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021****17. CALLED UP SHARE CAPITAL**

Allotted and issued: Number:	Class:	Nominal value:	2021 €	2020 €
100	Ordinary Shares	€1.17	<u>117</u>	<u>117</u>

Share capital represents 100 Ordinary shares of £1 each converted into euro at an historic exchange rate.

18. RESERVES

	Retained earnings €
At 1 January 2021	10,643,837
Profit for the year	2,722,667
Dividends	<u>(3,500,000)</u>
At 31 December 2021	<u>9,866,504</u>

19. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

20. CAPITAL COMMITMENTS

	2021 €	2020 €
Contracted but not provided for in the financial statements	<u>369,437</u>	<u>33,784</u>

21. RELATED PARTY DISCLOSURES

During the year the company entered into the following transactions with related parties:

Entities with control, joint control or significant influence over the entity

	2021 €	2020 €
Interest received	13,894	10,767
Amount due from related party	<u>500,000</u>	<u>1,500,000</u>

Entities over which the entity has control, joint control or significant influence

	2021 €	2020 €
Amount due to related party	<u>217,633</u>	<u>217,633</u>

Other related parties

	2021 €	2020 €
Sales	12,648,957	11,256,437
Purchases	2,269,480	1,935,795
Amount due from related party	1,243,590	2,334,845
Amount due to related party	<u>390,849</u>	<u>291,173</u>

NEOPERL U.K. LIMITED (REGISTERED NUMBER: 02535431)

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

21. RELATED PARTY DISCLOSURES - continued

Balances are unsecured, interest free and payable by cash settlement on terms comparable with unrelated businesses.

In establishing sales prices the company adopts the group principle that prices should be comparable with those which would have been applied to unrelated customers.

No guarantees have been given or received.

22. ULTIMATE CONTROLLING PARTY

The ultimate parent company is Neoperl Holding AG, a company which is incorporated in Switzerland.

