

Company Registration No. 902205 (England and Wales)

**HUBER+SUHNER (UK) LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



## HUBER+SUHNER (UK) LIMITED

### COMPANY INFORMATION

**Directors**

U Ryffel  
I Wechsler  
D Nixon

**Secretary**

K J Thompson

**Company number**

902205

**Registered office**

Telford Road  
Bicester  
Oxfordshire  
OX26 4LA

**Bankers**

Natwest  
1-7 Manorsfield Road  
Bicester  
Oxfordshire  
OX26 6DA

**Independent Auditors**

Ernst & Young LLP  
Apex Plaza  
Reading  
RG1 1YE

**Tax Advisors**

Grant Thornton LLP  
Victoria House  
4<sup>th</sup> Floor, 199 Avebury Boulevard  
Milton Keynes  
MK9 1AU

## HUBER+SUHNER (UK) LIMITED

### CONTENTS

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Contents	Pages
Strategic report	4 – 6
Directors' report	7 – 13
Independent auditors' report to the members of HUBER+SUHNER (UK) Limited	14 – 17
Statement of comprehensive income	18 – 19
Statement of financial position	20
Statement of changes in equity	21
Notes to the financial statements	22 – 37

# HUBER+SUHNER (UK) LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

#### Review of the business

The company's principal activity continues to be that of importing, manufacturing and selling electrical and optical connectivity components and cables and accessories related to the three key markets of Transportation, Communications and Industrial. This is coupled with an increasing level of "Value Add" and systems solutions to effectively differentiate the company from the traditional competitors in the UK market.

The HUBER+SUHNER Northern Europe Region consists of the UK, Sweden, Denmark, Norway, Finland and the Baltics. The centre of this region is HUBER+SUHNER (UK) Ltd where all of the central functions such as Finance, HR, IT and the majority of the front office are based with branch offices of HUBER+SUHNER (UK) in Sweden and Denmark. Norway, Finland and the Baltics continue to be serviced by third party distributors but are managed directly out of the UK.

The turnover for 2020 was down -2% relative to the prior year and gross margins decreased to 19.7% (2019: 20.7%) due to higher cost of sale to Global Key Accounts.

The sales from Global Key Accounts as defined by HUBER+SUHNER group was £1.1m higher than the previous year, but this was offset by a decrease in sales from other large and new customers in 2020. To reduce the currency impact on purchases, the business continues a natural hedging policy with purchases made from its Parent Company in Switzerland, with the majority of purchases made in the same currency as the customer invoice currency, which mitigates some of the local currency risk. The balance of any net currency cash flows were covered with forward contracts.

Third Party sales decreased by 1.7% to £64,225,000 in 2020 (2019: £65,320,000) and inter-group sales decreased to £66,000 in 2020 (2019: £250,000). Turnover in 2020 made by the Denmark branch was £8,969,000 (2019: £8,672,000) and by Sweden was £19,773,000 (2019: £19,321,000).

The company generated profit before tax of 8.2% (2019: 8.7%).

Further, in December 2020 the company was affected by a cyber-attack, which was managed promptly and efficiently to ensure there was no impact on the underlying financial reporting systems.

#### Strategy

The company is a part of the HUBER+SUHNER Group whose main objectives are to focus on the 3 x 3 strategy of supplying our 3 core technologies - Fibre Optics, Cable and Radio Frequency into our 3 key markets of Communication, Transportation and Industrial and to introduce new innovative products and solutions that assist growth in those markets and in our core technologies.

In the UK the company supports the group strategy by operating in the same markets and introducing, promoting and selling the new products and services in the country. The UK has continued to successfully position itself to offer greater total solution packages to all strategic markets thereby differentiating itself from traditional component competitors.

#### Future outlook

There is still uncertainty within the UK and EU market due to COVID-19 and the speed of recovery of various economies as well as the after effects of Brexit. Company management have focussed on the impact that COVID-19 has had on the UK market and the company itself and have put in place specific measures to manage the future pipeline of sales and related costs and expenses. Despite this, the expectation is that performance will be at similar levels to last year across most markets with a small amount of growth. Aerospace and Defence continues to be a key focus for the business.

A particular area of continued uncertainty relates to the COVID-19 outbreak which has had a significant impact on the UK and EU economy. Although the impact has been managed very well in 2020, the company

# HUBER+SUHNER (UK) LIMITED

## STRATEGIC REPORT

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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### Principal Risks and Uncertainties

The key business risks and uncertainties affecting the company relate to the UK economic situation as well as changes in product technology and the fluctuation in the key exchange rates versus Sterling. There is still uncertainties on the future relationship between the UK and the European Union, and how this will impact future business trades and competition between the two regions. Currently, the major disruption as a result of the UK leaving the EU has been on delivery to customer, causing delays. This disruption is expected to be short-term and normal lead times to return as the new custom rules become more familiar.

Further government spending in large railway projects spread across future years could affect our long term position in the market, despite planned UK infrastructure spend. This is also true in the key Aerospace and Defence market where the awarding of projects can take a number of years.

The large Global Key Accounts where there are lower than average margins are also a key business risk. It has been observed that, due to their global nature, these customers may choose to place their business in other regions creating risk to turnover. Conversely, due to the low margins seen with these customers, any large increases in turnover from these same customers are a risk to margin.

A particular area of continued uncertainty relates to the COVID-19 outbreak which has had a significant impact on the UK and EU economy. Although the impact has been managed very well in 2020, the company management are monitoring the situation carefully and have put measures in place to mitigate this risk which are more fully documented within the Going Concern section.

### Financial Risk Management Policy

In the ordinary course of business, the company is exposed to a variety of financial risks that include price risk, credit risk, exchange rate risk and liquidity risk. Company management monitors these risks regularly and makes every effort to minimise negative influences on the company's financial results.

#### Price risk

The company monitors the market prices and takes action to adjust prices where there are movements in commodity prices. Large material purchases are selectively hedged by the parent company at a group level.

#### Credit risk

The credit risk for sales debtors from trading is limited by the market spread of customers. In addition, this risk is reduced by regular checks of creditworthiness, withdrawing credit for slow payers and requesting cash with order for higher risk customers.

#### Exchange rate risk

The company is exposed directly to seven currencies, the Euro, CHF, US Dollar, PLN, NOK and the Danish and Swedish Krone for both sales and purchases. The risk is minimised by including currency fluctuation clauses in standard terms and conditions. In addition to local hedging, the parent company uses foreign exchange forward contracts and options to control foreign currency risks at a group level.

#### Liquidity risk

Where necessary the company negotiates local facilities with UK financial institutions. In addition, the group will give liquidity support if required. However, improved sales at higher margin coupled with good cash collection resulted in vastly improved liquidity.

# HUBER+SUHNER (UK) LIMITED

## STRATEGIC REPORT

*FOR THE YEAR ENDED 31 DECEMBER 2020*

### Key Performance Indicators

Key Performance Indicators are in place covering number of areas from efficiency and productivity to quote conversion, sales, orders and profit. KPI's are a fundamental part of the corporations' Global Management System (GMS).

On behalf of the board



J. Wechsler  
Director

# **HUBER+SUHNER (UK) LIMITED**

## **DIRECTORS' REPORT**

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

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The directors present their Directors' Report for the year ended 31 December 2020.

### **Results and dividends**

The results for the year ending 31 December 2020 has been positive, although lower than last year in turnover, profit before tax increased due to a drop administrative costs due less travel and normal business expenditure as a result of COVID-19 restrictions. Turnover decreased by -2% to £64,291,000 (2019: £65,570,000).

The profit for the financial year amounted to £4,211,000 (2019: £4,543,000). During the year £1,583,000 of interim dividend was declared and paid (2019: £600,000).

### **Future developments**

Overall the UK economy is showing resilience, however uncertainty in key areas such as post-Brexit trading and the COVID-19 situation may put pressure on sales revenue, margins and customer spend in 2021 and beyond. HUBER+SUHNER as a group has decided to align its focus into three markets Industry, Communication and Transportation, to strengthen market orientation and reduce complexity from 2021, thus abolishing the matrix organisation at Group level. The company believes it is well positioned, with the right technologies, products and innovative solutions, to play a leading role in important applications of the future.

# HUBER+SUHNER (UK) LIMITED

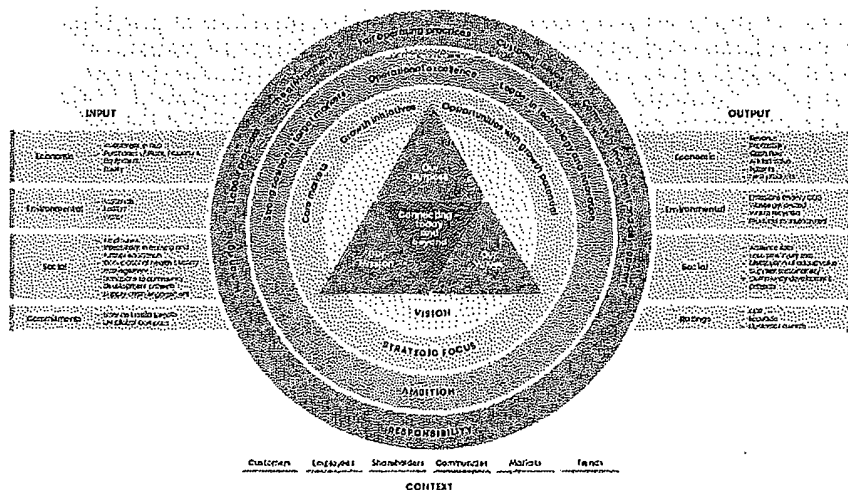
## DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

### Section 172 (1) Statement

HUBER+SUHNER UK Ltd is committed to conducting its business in accordance with high ethical standards, integrity, and compliance with applicable rules. In the communities where its premises are located the company behaves like a good corporate citizen.

The company mission and business model emphasises the need to generate sustainable added value for all our stakeholders with long-term focus, and also upholds great value on promoting an entrepreneurial spirit in caring for employees, society and environment. As stated in the HUBER+SUHNER Environmental Policy (SPV07), it is our intention to conduct our business activities with a view to protecting the environment along the entire value chain (life cycle perspective). We aim to prevent pollution, use resources sustainably, mitigate climate change, and to continually improve our contribution and performance in that respect.



### Customer

We have very strong and direct relationships with our customers in UK and Europe, which is facilitated through our branches in UK, Sweden and Denmark. We continued to be a reliable partner in supporting our customers with providing a broad-based technologies and products that support future changes in technology. We have changed our focus to into three markets, Industry, Communication and Transportation. The sales organisations have been directly integrated into the three segments, thus abolishing the matrix organisation at Group level. The aim behind the new alignment is to place a greater focus on the markets and simplify structures. We pride ourselves in delivering high performance, quality, reliability and a long service life even under the toughest conditions. During the pandemic, we continued to improve our supply chain to ensure customers still received the same level of service despite the challenging times.



# HUBER+SUHNER (UK) LIMITED

## DIRECTORS' REPORT

*FOR THE YEAR ENDED 31 DECEMBER 2020*

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### Environment & Social

The company encourages its suppliers and distributors to include ethical, social, environmental and human rights criteria as well as occupational health and safety in both their business conduct and decision making, and to establish appropriate policies. HUBER + SUHNER as a group includes such corporate social responsibility criteria in its supplier audits and in its due diligence when selecting new business partners.

The company is committed to protecting the environment and to contributing to keeping global warming below 1.5 degrees. The company uses resources like energy, water and materials sustainably and efficiently. The group determines its environment impact and greenhouse gas emissions annually. Based on the results of this analysis HUBER+SUHNER defines actions with the aim of continually reducing the intensity of its resource consumption, waste generation as well as emissions of greenhouse gases and other pollutants.

### Shareholders

Our shareholder is HUBER+SUHNER AG who play an active role in strategic direction and performance of the company, as well as provide support from its wider group resources. The support structure is managed through the company's management team being able to directly report to group with matters that require group's involvement and support.

### Employees

HUBER+SUHNER provides equal opportunity and treatment towards all employees in order to prevent discrimination on the basis of ethnic group, colour, gender, language, religion, political or other opinion, national or social origin, property, birth or other status, as well as membership in a trade union, sexual orientation, disability or age. Recruitment is based solely on personal and professional qualification, suitability and performance.

The company provides wages in accordance with national laws, or collective labour agreements. In the absence of such regulations, the company pays wages at least adequate for the needs of employees and their families taking into account the general level of wages and the cost of living in the country. Special consideration shall be given to equal pay for work of equal value.

The company protects its employees against harassment in the workplace, in particular against any kind of sexual, physical or psychological abuse. An open dialogue is encouraged between managers and employees based on mutual trust and respect. Grievances regarding human rights violations, unequal treatment or harassment at work are dealt with in a low-threshold, structured procedure, which can be conducted anonymously if desired.

The health and safety of employees has top priority at HUBER+SUHNER. The company ensures a safe and healthy working environment by complying with applicable laws and regulations, monitoring work processes and regularly identifying associated hazards and assessing risks and opportunities. The measures derived from these evaluations serve to eliminate hazards and minimise risks.

### Governance

Regular management meetings ensure the company maintains compliance with its corporate governance codes and ensure that its business is conducted in line with the ethical standard and with integrity.

## HUBER+SUHNER (UK) LIMITED

### DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

#### Streamlined Energy and Carbon Reporting

The company is committed to protecting the environment and to contributing to keeping global warming below 1.5 degrees.

The company has a small production and warehouse facility in Bicester to produce assemblies. The workspace are designed to ensure waste is minimised as much as possible and disposed in the appropriate way. The building in Bicester has undergone several phases of refurbishment to ensure there is more open space and LED lightings. Investment on LED lightings is to extend to the production space in the coming year.

#### Greenhouse gas emissions

We report under all three scope of emissions defined by the Greenhouse Gas protocol as follows:

Scope 1 (Direct Emissions): Operation of facilities (Boiler); and

Scope 2 (Indirect Emissions): Consumption of purchased electricity, heat and steam;

Scope 3 (Other Indirect Emissions): Business travel in employee-owned vehicles

Emissions data in respect of the 2020 reporting period was as follows

Emission Type 2020	CO2e tonnes
Scope 1: Operations of facilities	61
Scope 2: Purchase Energy	76
Scope 3: Business travel	24
Total Emissions	161

Greenhouse gas emissions intensity ratio:

	CO2e tonnes
Scope 1, 2 & 3	161
Turnover (£)	64.3m
Intensity Ratio (CO2e tonnes/£1m)	2.5

#### Scope and Methodology

Our methodology has been based on the principles of the Greenhouse Gas Protocol, taking account of the 2015 amendment which set out a 'dual reporting' methodology for the reporting of Scope 2 emissions. Conversion factors for UK electricity, gas and other emissions are those published by the UK Government CHG Conversion factors for Company Reporting for the year 2020.

We have reported on all the measured emissions sources required under The Companies Act 2006 (Strategic Report and Directors Report Regulations 2013), except where stated.

The period of our report is from 01 January 2020 to 31 December 2020.

#### Gas, Electricity & Water

The company used 327,199 kWh of electricity, consumed 332,152 kWh of gas, and water usage was 437 cubic meters for the rep

#### Waste

In 2020, the company had 0 waste from Electrical and Electronic Equipment (WEEE).

# HUBER+SUHNER (UK) LIMITED

## DIRECTORS' REPORT

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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### Post Balance Sheet Events

There are no post balance sheet events to report for the year ending 31 December 2020.

### Going Concern

Based upon the analysis from our forecast and various scenarios for the next 12 months to 30 June 2022, prepared on information that is currently available, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The company is exposed to macro-economic risks that could arise, including pandemic disease that could have a significant effect on our operations, as well as political decisions on recovery of economy. The company continues to monitor the COVID-19 outbreak which is causing economic disruption to some extent and may impact our performance in 2021 to 2022, although the impact is expected to lower than prior year. In the current year, we generated a profit of £4,211,000 (2019: £4,543,000) and generated positive cash inflow despite the impact of COVID-19. Whilst the operations of the company continued with specific safety measures in place, the management team continue to forecast and assess the impact on the continuing operations of the company. The considerations and assessment performed have been disclosed within the going concern sections in these financial statements. The Directors continue to adopt the going concern basis in preparing the annual report and financial statements.

The impact of COVID-19 on the business began in early March 2020 and has been unprecedented and continues to be present to some extent despite improvements in supply chain. The impact due to the spread of the virus on the global business had been acknowledged early on, allowing HUBER+SUHNER UK to adapt quickly to the spread of the virus across Europe by following similar steps adopted by its subsidiary HUBER+SUHNER China in the months following February 2020. The expectation was for COVID-19 to have a short term negative impact on the business and a fast recovery when lockdown restrictions are lifted across the world, especially within Europe. As expected the business did recover from a slow-down in sales between May and July. The turnover of £64,291,000 for the year was slightly under the expected forecast for the year and compared to 2019, but still within the "Most Likely" scenario.

Management continue to prepare monthly forecasts to foresee results under possible scenarios which are based on assumptions from the current political and economic outlook. The company continues to monitor the situation and take necessary steps to action cost saving initiatives depending on top line sales. Certain cost savings initiatives have been taken by group to be implemented within the region, such as limit travel budget for 2021 by utilising new ways of working as well as taking into consideration that national lockdown restrictions are still in place. The company management have been reviewing these forecasts regularly to proactively manage liquidity and take necessary actions if and when needed. Scenarios have also been stress tested to identify the impact to profitability and liquidity with revenue reducing between 10% to 30% on current forecast for 2021 which is a growth year compared to 2020. The worst case scenario of reducing sales to 30% in 2021 and with recovery of 20% in following year, still results in positive EBIT and cash position.

The company operates within diverse markets which have been affected by COVID-19 in different ways. As far as our analysis of the markets we work within, we are seeing short-term disruptions rather than long term negative impacts on growth. In some markets such as communication and energy the demand has been strong despite the current climate, and national railway projects have resumed reflected by high order intake in the start of 2021. Therefore, the business is diversified to counteract certain market risks with others where possible. However, as mentioned the current climate has caused disruptions for all markets last year, therefore the scenarios have taken an overall view. sensitivity analysis on revenue, we believe there is enough mitigating actions to ensure the business is liquid to continue as a going concern. Such mitigation actions could include delaying dividend payments.

## **HUBER+SUHNER (UK) LIMITED**

### **DIRECTORS' REPORT**

#### ***FOR THE YEAR ENDED 31 DECEMBER 2020***

The broader political and economic uncertainty along with potential future impact of COVID-19 on HUBER+SUHNER UK have been considered in our scenarios, and these have been considered as part of the company's going concern basis. The company has confidence in achieving the budgeted turnover and margins as well as have mitigating actions available to address the possible downside from such scenarios.

Reflecting the board's confidence, HUBER+SUHNER UK LTD continues to adopt the going concern basis in preparing the financial statements as the company has sufficient liquidity to operate.

#### **Branches outside of the UK**

The company fully owns and controls two branches in Denmark and Sweden and has done since 2014. The branch turnover increased by 3.4% £8,969,000 (2019: £8,672,000) and increased by 2.3% to £19,773,000 (2019: £19,321,000) in Denmark and Sweden respectively.

#### **Directors**

The directors, who served throughout the year were as follows:

U Ryffel  
I Wechsler  
D Nixon

#### **Secretary**

L Kolbjerg resigned as Secretary of HUBER+SUHNER (UK) LTD on 31<sup>st</sup> December 2020.  
K J Thompson was appointed as Secretary of HUBER+SUHNER (UK) LTD on 31<sup>st</sup> December 2020.

#### **Directors' indemnities**

The parent company has granted an indemnity to one or more of its directors against liability in respect of proceedings brought by third parties, subject to the conditions set out in section 234 of the Companies Act 2006. Such qualifying third party indemnity provision remains in force as at the date of approving the directors' report.

## **HUBER+SUHNER (UK) LIMITED**

### **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Statement of directors' responsibilities in respect of the financial statements**

##### **Statement of disclosure to auditors**

Each director in office at the date of approval of this annual report confirms 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 he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

##### **Independent auditors**

The auditors, Ernst & Young LLP will not be re-appointed under section 487(2) of the Companies Independent Act 2006.

On behalf of the board



.....  
J Wechsler  
Director

## **Independent auditors' report to the members of HUBER+SUHNER (UK) Limited**

### **Opinion**

We have audited the financial statements of HUBER+SUHNER (UK) Limited for the year ended 31 December 2020 which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and the related notes 1 to 22, 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 FRS 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 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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of 12 months to 30 June 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

### **Other information**

The other information comprises the information included in the annual report, [other than the financial statements and our auditor's report thereon]. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

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 course of 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

## **Independent auditors' report to the members of HUBER+SUHNER (UK) Limited**

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the 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 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 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.

### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement set out on page 10, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

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

## **Independent auditors' report to the members of HUBER+SUHNER (UK) Limited**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and the relevant tax compliance regulations in the United Kingdom.
- We understood how HUBER+SUHNER (UK) Limited is complying with those frameworks by making enquiries of management and those charged with governance. We corroborated our enquiries through our review of Board minutes. Our audit procedures were designed to either corroborate or provide contrary evidence, the results of which were followed up appropriately.
- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by meeting with management within various parts of the business to understand where they considered there was susceptibility to fraud. We also understood the performance targets in the context of variable pay reward schemes and their propensity to influence efforts made by management to manage earnings. We considered the programmes and controls that the Company has established to address risks identified, or that otherwise prevent, deter and detect fraud; and how senior management monitors those programmes and controls. Where this risk was higher, which we determined to be within revenue recognition, we performed incremental audit procedures to address the identified fraud risk. These procedures included using data analytics to identify manual journals which were tested where significant. Our procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved a review of board minutes to identify any noncompliance with laws and regulations, and enquiries of management and those charged with governance.

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



## **Independent auditors' report to the members of HUBER+SUHNER (UK) 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 an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Ernst & Young LLP*

Kate Allen (Senior statutory auditor)  
for and on behalf of Ernst & Young LLP, Statutory Auditor  
Reading  
11 June 2021

**HUBER+SUHNER (UK) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

		<b>Year Ended 2020</b>	<b>Year Ended 2019</b>
	<b>Notes</b>	<b>£'000</b>	<b>£'000</b>
Turnover	<b>2</b>	64,291	65,570
Cost of sales		(51,640)	(52,005)
<b>Gross profit</b>		<b>12,651</b>	<b>13,565</b>
Distribution costs		(1,111)	(817)
Administrative expenses		(6,362)	(7,187)
Other operating income		17	65
<b>Operating profit</b>	<b>3</b>	<b>5,195</b>	<b>5,626</b>
Interest receivable and similar income	<b>6</b>	64	56
<b>Profit before taxation</b>		<b>5,259</b>	<b>5,682</b>
Tax on profit	<b>7</b>	(1,048)	(1,139)
<b>Profit for the financial year</b>	<b>17</b>	<b>4,211</b>	<b>4,543</b>

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations. There was no other comprehensive income for 2020 other than those disclosed in the income statement.

**HUBER+SUHNER (UK) LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**AS AT 31 DECEMBER 2020**

	Notes	2020 £'000	2019 £'000
Profit for the financial year	17	4,211	4,543
<b>Total comprehensive income for the year</b>		<b>4,211</b>	<b>4,543</b>

**HUBER+SUHNER (UK) LIMITED****STATEMENT OF FINANCIAL POSITION****FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020 £'000	2019 £'000
	Notes		
<b>Fixed assets</b>			
Property, plant and equipment	8	<u>2,322</u>	<u>2,466</u>
<b>Debtors: amounts falling due more than one year</b>			
Loan	12	<u>-</u>	<u>2,000</u>
<b>Current assets</b>			
Inventories	9	1,668	1,330
Trade and other receivables	11	13,530	11,384
Cash at bank and in hand		4,144	1,223
Loan	13	<u>4,200</u>	<u>-</u>
		<u>23,542</u>	<u>13,937</u>
<b>Creditors: amounts falling due within one year</b>			
Creditors amounts falling due within one year	14	(8,964)	(4,125)
		<u>(8,964)</u>	<u>(4,125)</u>
<b>Net current assets</b>		<u>14,578</u>	<u>9,812</u>
<b>Total assets less current liabilities</b>		<u>16,900</u>	<u>14,278</u>
<b>Provisions for liabilities</b>			
Deferred tax liabilities	10	<u>(167)</u>	<u>(173)</u>
<b>Net assets</b>		<u>16,733</u>	<u>14,105</u>
<b>Capital and reserves</b>			
Called up share capital	16	4,000	4,000
Profit and loss account	17	<u>12,733</u>	<u>10,105</u>
<b>Total shareholders' funds</b>		<u>16,733</u>	<u>14,105</u>

The financial statements were approved by the Board of directors and authorized for issue on 02/06/2021  
Signed on its behalf by:



J. Wechsler  
Director

Company Registration No. 902205

**HUBER+SUHNER (UK) LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Profit and loss account	Total Share- holders' funds
	£'000	£'000	£'000
Balance at 1 January 2019	4,000	6,162	10,162
Profit for the financial year	-	4,543	4,543
Total comprehensive Income for the year	-	4,543	4,543
Dividends	-	(600)	(600)
Balance at 31 December 2019	4,000	10,105	14,105
Profit for the financial year	-	4,211	4,211
Total comprehensive income for the year	-	4,211	4,211
Dividends	-	(1,583)	(1,583)
Balance at 31 December 2020	4,000	12,733	16,733

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies

HUBER+SUHNER (UK) Ltd is a private company limited by shares incorporated in the UK, and registered in England & Wales.

##### 1.1 Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS 102'), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The financial statements have been prepared under Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ('FRS102').

The principal accounting policies adopted are set out below.

The company has taken advantage of the following disclosure exemptions under FRS 102:

- the requirements of section 7 for Statement of Cash Flows;
- the requirements of paragraph 33.03 on Related Party Disclosures;

Where required, equivalent disclosures are given in the group financial statements of HUBER+SUHNER AG. The group financial statements of HUBER+SUHNER AG are available to the public and can be obtained as set out in note 20.

The financial statements have been presented in Pounds Sterling as this is the currency of the primary economic environment in which the entity trades in.

##### 1.2 Going concern

Based upon the analysis from our forecast and various scenarios for the next 12 months to 30 June 2022, prepared on information that is currently available, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

The impact of COVID-19 on the business began in early March 2020 and has been unprecedented and continues to be present to some extent despite improvements in supply chain. The impact due to the spread of the virus on the global business had been acknowledged early on, allowing HUBER+SUHNER UK to adapt quickly to the spread of the virus across Europe by following similar steps adopted by its subsidiary HUBER+SUHNER China in the months following February 2020. The expectation was for COVID-19 to have a short-term negative impact on the business and a fast recovery when lockdown restrictions are lifted across the world, especially within Europe. As expected the business did recover from a slow-down in sales between May and July. The turnover of £64,291,000 for the year was slightly under the expected forecast for the year and compared to 2019, but still within the "Most Likely" scenario.

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (continued)

#### 1.2 Going concern (continued)

Management continue to prepare monthly forecasts to foresee results under possible scenarios which are based on assumptions from the current political and economic outlook. The company continues to monitor the situation and take necessary steps to action cost saving initiatives depending on top line sales. Certain cost savings initiatives have been taken by group to be implemented within the region, such as limit travel budget for 2021 by utilising new ways of working as well as taking into consideration that national lockdown restrictions are still in place. The company management have been reviewing these forecasts regularly to proactively manage liquidity and take necessary actions if and when needed. Scenarios have also been stress tested to identify the impact to profitability and liquidity with revenue reducing between 10% to 30% on current forecast for 2021 which is a growth year compared to 2020. The worst case scenario of reducing sales to 30% in 2021 and with recovery of 20% in following year, still results in positive EBIT and cash position.

The company operates within diverse markets which have been affected by COVID-19 in different ways. As far as our analysis of the markets we work within, we are seeing short-term disruptions rather than long term negative impacts on growth. In some markets such as communication and energy the demand has been strong despite the current climate, and national railway projects have resumed reflected by high order intake in the start of 2021. Therefore, the business is diversified to counteract certain market risks with others where possible. However, as mentioned the current climate has caused disruptions for all markets last year, therefore the scenarios have taken an overall view. sensitivity analysis on revenue, we believe there is enough mitigating actions to ensure the business is liquid to continue as a going concern. Such mitigation actions could include delaying dividend payments.

The broader political and economic uncertainty along with potential future impact of COVID-19 on HUBER+SUHNER UK have been considered in our scenarios, and these have been considered as part of the company's going concern basis. The company has confidence in achieving the budgeted turnover and margins as well as have mitigating actions available to address the possible downside from such scenarios.

Reflecting the board's confidence, HUBER+SUHNER UK LTD continues to adopt the going concern basis in preparing the financial statements as the company has sufficient liquidity to operate for at least twelve months from the date of approval of the financial statements to 30 June 2022.

#### 1.3 Turnover

Turnover, which is stated at net of value added tax, represents the invoiced value of goods and services supplied. Revenue is recognised when the significant risks and rewards of ownership have been transferred to the buyer which is usually on despatch of goods and on completion of services.

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods supplied, stated net of discounts, returns and value added taxes. The company recognises revenue when performance obligations have been satisfied and for the company this is when the goods or services have transferred to the customer and the customer has control of these. The company's activities are described in detail below. The company bases its estimate of returns on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies (continued)

##### 1.3 Turnover (continued)

###### *(a) Sales of goods*

The company manufactures and sells electronic cables and components. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer.

No element of financing is deemed present as the sales are made with the standard credit term of 30 days, which is consistent with market practice. Certain global key accounts have longer payment terms to the standard as agreed globally by the parent company. The company's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see note 15.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

###### *(b) Sales of services*

The company provides services of design, project management, testing as well as installation by sub-contractors. Revenue from providing services is recognised in the accounting period in which the services are rendered. The transaction price is determined by fixed day rates and are charged to the customer based upon the number of days taken to complete the performance obligation.

A receivable is recognised when the services have been rendered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

##### 1.4 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land & buildings	2.5%
Plant and machinery	10-20%

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.



# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (continued)

#### 1.5 Impairment of tangible assets

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.6 Inventory provisioning

The company designs, manufactures and sells electronic components and cables and is subject to changing consumer demands and technological changes. As a result, it is necessary to consider the recoverability of the cost of inventory and the associated provisioning required. Inventory provision is recognised and reported in the profit and loss account. The provision is calculated by the system for each material in stock based on the consumption of over the last twelve months. Some system provision on materials will be overridden due to existing sales orders, new materials brought in the last three months as well as by management decision due to known facts i.e. customer forecast. See note 9 for the net carrying amount of the inventory.

#### 1.7 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Raw materials, consumables and goods for resale are valued on a purchase cost on first-in, first-out basis. Work in progress and finished goods are valued based on cost of direct materials and labour plus attributable overheads based on normal activities.

Net realisable value is the estimated selling price less all estimated costs of completion and disposal. Provision has been made, if necessary, for slow moving, obsolete and defective stock.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts.

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies (continued)

##### 1.9 Financial Assets

Basic financial assets consist of basic financial instruments transactions such as trade and other accounts receivables and payable, cash and bank balances, loans to related parties. The company also utilises forward contracts in order to manage foreign currency exposures.

Trade and other receivables are recorded in the company's statement of financial position at transaction price, unless the arrangement constitutes a financing transactions, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

These basic financial assets, other than short term receivables, are subsequently carried at amortised cost using the effective interest method.

Short term trade and other receivables with no stated interest rate which are receivable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the income statement in administrative expenses.

Long term financial assets are initially recognised at transaction price. These are assessed at the end of each reporting period for objective evidence of impairment. In the event of an impairment, the loss is recognised in the consolidated statement of comprehensive income.

##### 1.10 Financial Liabilities

Basic financial liabilities including trade and other payables are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the liability is measured at the present value of the future payments discounted at a market rate of interest.

Basic financial liabilities, other than short term payables, are subsequently carried at amortised cost, using the effective interest rate method. The effective interest rate amortisation is included in interest payable and similar expenses in the income statement.

Short term trade and other payables with no stated interest rate which are payable within one year are recorded at transaction price.

Derivative financial instruments are recognised initially at their fair value and re-measured at fair value at each period end. The gain or loss on re-measurement to fair value is recognised in the consolidated statement of comprehensive income. The company has not applied hedge accounting.

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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### 1 Accounting policies (continued)

#### 1.11 Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs.

#### 1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### *Deferred tax*

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

#### 1.13 Employee benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Leases

Rentals payable under operating leases, less any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the income statement for the period.

#### 1.16 Holiday Pay Accrual

A liability is recognised to the extent any unused holiday pay entitlement which has accrued at the balance sheet date and carried forward to future periods. This is measured at the undiscounted rate.

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 2 Turnover

An analysis of the company's turnover is as follows:

	2020 £'000	2019 £'000
Radio frequency	20,750	19,369
Fibre Optics	25,524	23,795
Cable	18,017	22,406
	<u>64,291</u>	<u>65,570</u>

### Geographical market

	2020 £'000	2019 £'000
United Kingdom	25,002	27,343
Switzerland	223	213
Denmark	8,700	8,231
Sweden	8,696	10,242
Ireland	313	450
Poland	1,612	1,094
Finland	2,713	2,332
Norway	4,710	4,542
Estonia	4,238	6,770
Bulgaria	54	92
Czech Republic	200	577
Germany	671	984
Spain	175	270
Iceland	116	186
Lithuania	1,119	436
Netherlands	180	399
Belgium	36	15
Hungary	2	2
France	36	73
Italy	-	8
Rest of World	5,495	1,311
	<u>64,291</u>	<u>65,570</u>

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>3</b>	<b>Operating Profit</b>	<b>2020</b>	<b>2019</b>
		<b>£'000</b>	<b>£'000</b>
	Operating profit is stated after charging:		
	Fees payable to the company's auditors for the audit of the company's financial statements	39	33
	Depreciation of property, plant and equipment	182	159
	Cost of inventories recognised as an expense	52,138	52,488
	Staff costs	6,524	6,553
	Operating lease charges	173	155
	Inventory write down/impairment cost	33	256
	Other operating income	(17)	(65)
	Forex loss and gains on receivables and payables	<u>(876)</u>	<u>194</u>

Other operating income in 2020 of £17,000 is related to rental income of UK Warehouse space.

## 4 Employees

The average monthly number of employees were:

	<b>2020</b>	<b>2019</b>
	<b>Number</b>	<b>Number</b>
Manufacturing	28	29
Office and management	84	84
	<u>109</u>	<u>112</u>

Their aggregate remuneration comprised:

<b>Employment costs</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Wages and salaries	5,439	5,492
Social security costs	717	692
Other pension costs	368	369
	<u>6,524</u>	<u>6,553</u>

## 5 Directors' remuneration

There were no directors' emoluments paid during the year in respect of their services to the company, as these are borne by the parent undertaking (2019: £nil). These costs are not recharged to the company.

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 6 Interest receivable and similar income

	2020	2019
	£'000	£'000
<b>Interest receivable and similar income</b>		
Interest on bank deposits	2	5
Interest receivable from group undertakings	62	51
	<u>64</u>	<u>56</u>

Total interest receivable and similar income for financial assets that are not held at fair value through profit or loss is £62,000 (2019: £51,000).

### 7 Tax on profit

	Continuing operations	
	2020	2019
	£'000	£'000
<b>Current tax</b>		
Current year taxation	1,037	1,048
Adjustments in respect of prior periods	17	1
	<u>1,054</u>	<u>1049</u>
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(6)	90
Adjustments in respect of prior periods	-	-
	<u>-</u>	<u>-</u>
<b>Total tax charged</b>	<u>1,048</u>	<u>1,139</u>

## HUBER+SUHNER (UK) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

#### 7 Tax on profit (continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2020 £'000	2019 £'000
Profit before taxation	5,259	5,682
Expected tax charge based on a corporation tax rate of 19% (2019: 19%)	999	1,080
Expenses not deductible in determining taxable profit	8	43
Effect of overseas tax rates	15	11
Effect of changes in tax rates	-	-
Deferred tax adjustments	9	4
Tax adjustment relating to prior year	17	1
Tax charged for the year	1,048	1,139

#### Factors that may affect future tax charges

The Finance Act 2015, which was substantively enacted on 26 October 2015, included legislation to reduce the main rate of corporation tax to 19% from 1 April 2017 and to 18% from 1 April 2020.

The March 2021 Budget Statement announced that the UK corporation tax rate will remain at 19% until 2023 and increase to 25% thereafter. The deferred tax was calculated at 17% based on previous government announcement on corporation tax.

Sweden corporation tax rate will be further reduced to 20.6% from 1 January 2021.

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 8 Property, plant and equipment

	Freehold land & buildings	Plant and machinery	Total
	£'000	£'000	£'000
<b>Cost</b>			
At 1 January 2020	3,603	554	4,157
Additions	-	38	38
Disposal	-	-	-
Transfer	-	-	-
At 31 December 2020	3,603	592	4,195
<b>Accumulated depreciation</b>			
At 1 January 2020	(1,406)	(285)	(1,691)
Charge for the year	(104)	(78)	(182)
Eliminated on disposal	-	-	-
At 31 December 2020	(1,510)	(363)	(1,873)
<b>Carrying amount</b>			
At 31 December 2020	2,093	229	2,322
At 31 December 2019	2,197	269	2,466

Computer equipment is included within plant and machinery and are depreciated over 4 years.

9 Inventories	2020 £'000	2019 £'000
Raw materials	131	182
Work in progress	138	45
Finished goods	1,399	1,103
	1,668	1,330

Inventory written off in 2020 to the profit and loss account was £33,000 (2019: £256,000).



# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 10 Deferred taxation

The following are the major deferred tax liabilities and assets recognized by the company and movements thereon during the current and prior financial year.

	Total £'000
Deferred tax liability at 1 January 2019	(83)
Deferred tax asset at 1 January 2019	-
<b>Deferred tax movements in prior year</b>	
Decrease in deferred tax asset - charge to the income statement	(90)
Deferred tax liability at 31 December 2019	(173)
Deferred tax asset at 31 December 2019	-
<b>Deferred tax movements in current year</b>	
Decrease in deferred tax liability – charge to the income statement	6
Deferred tax liability at 31 December 2020	(167)
Deferred tax asset at 31 December 2020	-

The deferred tax liability relates to temporary differences arising on qualifying fixed assets between book value and tax allowances.

All movements in deferred tax asset and liability in the balance sheet are reported in the profit and loss account.

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

The following is the analysis of the deferred tax balances:

	2020 £'000	2019 £'000
Deferred tax liabilities	(167)	(173)
Deferred tax assets	-	-
	(167)	(173)

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

### 11 Trade and other receivables

	2020 £'000	2019 £'000
Trade receivables	11,855	10,133
	<u>11,855</u>	<u>10,133</u>
Trade receivables are stated after provisions for impairment of £23,000 (2019: £9,000)		
Other receivables	185	26
Forward Contract	-	85
Corporation tax recoverable	892	899
VAT recoverable	178	46
Amounts owed by group undertakings	275	53
Prepayments	145	142
	<u>13,530</u>	<u>11,384</u>
<b>Bad debt provision</b>		
At 1 January 2020	9	55
Movement in income statement	14	(46)
At 31 December 2020	<u>23</u>	<u>9</u>

The bad debt provision has been calculated by applying an estimated default % to various receivables ageing due groups: 1-30 days, 31-60 days, 61-90 days and past 90 days. The default % are based on the amounts defaulting within the next 12 months only. This is based on the likelihood of historically bad payers defaulting on their amounts due as well as current information about the balances. The movement in the income statement in 2020 is mainly a general increase in overdue balances.

The % in each overdue category increased compared to last year except for overdue between 1-30 days, which reduced. The average overdue more than 30 days increased to 2.1% in 2020 (2019: 1.4%).

12 Debtors: amount falling due after more than one year	2020	2019
Total loans from group undertaking	-	2,000
	<u>-</u>	<u>2,000</u>

The loans with other group undertakings are unsecured and due for repayment before the 31 December 2021 and accrues interest at a LIBOR 6 months + 2% margin. The interest rate will be reviewed half yearly by the lender. Interest rate applied in 2020 was 2.82% in H1 and 2.26% in H2.

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

<b>13 Debtors: amount falling due within less than one year</b>	<b>2020</b>	<b>2019</b>
Total loans from group undertaking	4,200	-
	<u>4,200</u>	<u>-</u>

The loans with other group undertakings are unsecured and due for repayment before the 31 December 2021 and accrues interest at a LIBOR 6 months + 2% margin. Interest rate applied in 2020 was 2.82% in H1 and 2.26% in H2.

<b>14 Creditors: amounts falling due within one year</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Trade payables	302	318
Amount due to parent undertaking	3,300	517
Amount due to group undertakings	1,347	268
Other payables	185	95
Social security and other taxation	1,438	1,227
VAT payable	998	603
Accruals	1,394	1,097
	<u>8,964</u>	<u>4,125</u>

The amount due to parent undertaking comprises of intercompany payables with payment terms of 45 days net.

### 15 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution scheme for its employees. There are no accrued or prepaid pension costs at the year-end (2019: £nil).

The total costs charged to income in respect of defined contribution plans were £368,000 (2019: £369,000).

<b>16 Called up share capital</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Ordinary share capital		
Authorised Issued and fully paid		
4,000,000 (2019: 4,000,000) Ordinary shares of £1,000 each	4,000	4,000
	<u>4,000</u>	<u>4,000</u>

# HUBER+SUHNER (UK) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 Profit and loss account

	£'000
At 1 January 2019	6,162
Profit for the financial year	4,543
Dividends	<u>(600)</u>
At 31 December 2019	10,105
Profit for the financial year	4,211
Dividends	<u>(1,583)</u>
At 31 December 2020	<u>12,733</u>

A dividend of £750,000 was paid to the parent company on 26<sup>th</sup> February 2020 and a second dividend payment of £500,000 was made on 31<sup>st</sup> March 2020, and a third dividend payment of 400,000 CHF made on 27<sup>th</sup> August 2020.

#### 18 Operating leases commitments

##### Lease

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Land and buildings		Other	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Within one year	62	56	24	61
Between two and five years	76	59	11	32
More than five years	-	-	-	-
	<u>138</u>	<u>115</u>	<u>35</u>	<u>93</u>

#### 19 Related party transactions

The company have taken advantage of the exemption conferred by FRS102 which states that a qualifying entity is exempt from the IAS 24 requirement to disclose compensation to key management personnel and also exempt from disclosing transactions with entities wholly owned by the group.

The following related party transactions had occurred in the year 2020.

Loan of £2,200,000 was granted to a company within the HUBER+SUHNER AG group.

Interim dividends of £1,583,000 in total was paid to HUBER+SUHNER AG.

## **HUBER+SUHNER (UK) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

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

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#### **21 Controlling party**

The company is a wholly owned subsidiary of HUBER+SUHNER AG, a company incorporated in Switzerland and its results are included in the consolidated financial statements of HUBER+SUHNER AG, which can be obtained from Tumbelenstrasse 20, CH-8330 Pfaffikon ZH, Switzerland.

The largest and smallest group of undertakings for which group financial statements have been drawn up is that headed by HUBER+SUHNER AG.

#### **22 Post balance sheet events**

There are no post balance sheet events to report for the year ending 31 December 2020.