

**HAAG-STREIT UK LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**



**HAAG-STREIT UK LIMITED**

**COMPANY INFORMATION**

<b>Directors</b>	D Johnson R Ott (resigned 31 December 2020) T Bernhard (appointed 1 January 2021) S Buchler (appointed 1 January 2020, resigned 30 November 2020) P Richard (appointed 1 January 2021)
<b>Company secretary</b>	S Jacobs
<b>Registered number</b>	02012269
<b>Registered office</b>	Edinburgh Way Harlow Essex CM20 2TT
<b>Independent auditors</b>	Grant Thornton UK LLP New London Rd Chelmsford CM2 0PP
<b>Bankers</b>	Barclays Bank 14 The Water Gardens Centre Harlow Essex CM20 1AN
<b>Solicitors</b>	Birketts LLP 22 Station Road Cambridge Cambridgeshire CB1 2JD

**HAAG-STREIT UK LIMITED**

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## **HAAG-STREIT UK LIMITED**

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

#### **Introduction**

The Company is principally engaged in manufacturing, selling, and distributing ophthalmic products to healthcare establishments and professionals.

#### **Business review**

Although the Company has successfully obtained new business from both the public and private sectors, various non-critical NHS capital purchase projects were placed on hold during 2020 due to the NHS cancelling many non-essential elective procedures to focus on managing the COVID-19 pandemic.

The political directive concerning the consequences of Brexit continued during the year; however, the Company remains confident about its future post-Brexit prospects.

Adding new distribution agreements and product lines to the Company's portfolio will strengthen the foundations of the business by creating a solid platform for future growth. Ongoing cost-saving initiatives, efficiency drives, and focused sales and marketing strategies will help maintain future profitability.

Investment in clinical training and technical know-how will continue to be essential for future years, benefiting both the organisation and the customer.

#### **Principal risks and uncertainties**

The Company's principal uncertainties include - NHS public sector spending, increased regulatory affairs and compliance, currency exchange rates, and post-Brexit Britain – especially concerning trade tariffs, regulatory requirements and imports from European suppliers.

Brexit - There remains an element of uncertainty following the UK's departure from the EU in January 2021. Management continues to plan to mitigate risk and ensure business continuity.

New product developments and capital investments come with a degree of risk.

COVID-19 Pandemic - The World Health Organisation (WHO) reported the first diagnosed case of COVID-19 on the 8th of December 2019. During early 2020, various countries started introducing restrictive measures (lockdowns) and restrictions on public transport (frequency and capacity reductions). Most organisations, including Haag-Streit UK, were directly affected by the global impact of the COVID-19 pandemic. NHS hospitals focused their resources on managing COVID-19 and reduced or cancelled non-essential elective procedures.

With the successful COVID-19 vaccination rollout and the UK Government's planned easing of lockdown during Q2 2021, returning to a 'new normal' environment comes as a positive development. Consequently, the NHS now has to begin managing and addressing the resultant backlog of ophthalmic clinical procedures.

Although the future economic consequences of the COVID-19 pandemic remain difficult to assess, from the Company's current perspective, prudence dictates that there will be a need for careful monitoring and planning during 2021. The Company is engaged in scenario and mitigation planning to help manage the pandemic's impact on ongoing operations. Cashflow will be monitored and managed throughout the year. The Company is adhering to policies and advice from the UK government and NHS health authorities, and plans to reduce the future impact of the situation by adopting appropriate policies and strategies. The Company continues to coordinate activities with the broader Clement Clarke and Haag-Streit Group of companies.

**HAAG-STREIT UK LIMITED**

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

**Financial key performance indicators**

The Company's principal goal is to maintain sustainable growth with a maximum return while being committed to moral and ethical business practices. The Company focuses on achieving these goals whilst delivering exceptional services to our customers and creating a friendly work environment for our employees.

The Company's key performance indicators principally include turnover and EBIT (earnings before interest and taxation).

	2020	2019
	£000's	£000's
Turnover	9,796	9,270
EBIT	574	562

Turnover increased by 5% on 2019's results due to a solid Q1 order intake before the restrictive consequences of COVID-19 took effect.

Costs continued to be monitored and controlled throughout the year and performed in line with Company expectations.

This Report was approved by the Board on 1/6/2021 and signed on its behalf.



**S Jacobs**  
Secretary

## **HAAG-STREIT UK LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

The Directors present their Report and the financial statements for the year ended 31 December 2020.

#### **Directors' 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 Standards and applicable law including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs and 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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### **Principal activity**

The principal activities for the Company are manufacturing, selling and distribution of ophthalmic products to healthcare establishments and professionals. There have been no significant changes in the Company's principal activities during the period under review.

#### **Directors**

The Directors who served during the year were:

D Johnson

R Ott (resigned 31 December 2020)

S Buchler (appointed 1 January 2020, resigned 30 November 2020)

#### **Disclosure of information to Auditors**

The Directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

## HAAG-STREIT UK LIMITED

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

#### Going Concern

The financial statements have been prepared on the going concern basis. In assessing the appropriateness of the going concern basis, the Directors have taken account of all relevant information covering a period of at least twelve months from the date of approval of the financial statements. The Directors consider it appropriate to continue to use the going concern assumption on the basis that the Company will have sufficient resources to enable it to meet its liabilities as they fall due.

#### COVID-19 Pandemic

The World Health Authority (WHO) reported the first diagnosed case of COVID-19 on the 8th December 2019. During early 2020, various countries started to introduce restrictive measures (lockdowns) and restrictions on public transport (frequency and capacity reductions). It is certain that most organisations, including Haag-Streit UK, will be directly affected by the global impact of the COVID-19 pandemic. NHS hospitals begin to focus their resources on managing COVID-19 and move away from non-essential elective procedures.

Although the future economic consequences of the COVID-19 pandemic remain difficult to assess from our current perspective, prudence dictates that there will be a need for careful monitoring and planning during 2020. The Company is engaged in scenario and mitigation planning to help manage the impact of the pandemic on ongoing operations. Cashflow will be monitored and managed throughout the year. The Company is adhering to policies and advice from the UK government, NHS health authorities and WHO, and plans to reduce the impact of the situation by the adoption of appropriate policies and strategies. The Company continues to coordinate activities with the broader Clement Clarke and Haag-Streit Group of companies.

#### Re-appointment of Auditors

The Auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### Small companies note

In preparing this Report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This Report was approved by the Board on 1/6/2021 and signed on its behalf.



**S Jacobs**  
Secretary

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAAG-STREIT UK LIMITED**

### **OPINION**

We have audited the financial statements of Haag-Streit UK Limited (the 'Company') for the year ended 31 December 2020, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and 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 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **BASIS FOR OPINION**

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



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAAG-STREIT UK LIMITED (CONTINUED)**

### **CONCLUSIONS RELATING TO GOING CONCERN**

We are responsible for concluding 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 report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the Directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.

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.

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.

The responsibilities of the Directors with respect to going concern are described in the 'Responsibilities of Directors for the financial statements' section of this report.

### **OTHER INFORMATION**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAAG-STREIT UK LIMITED (CONTINUED)**

### **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.

### **MATTER ON WHICH WE ARE REQUIRED TO REPORT UNDER THE COMPANIES ACT 2006**

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.

### **MATTERS ON WHICH WE ARE REQUIRED TO REPORT ON EXCEPTION**

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 FOR THE FINANCIAL STATEMENTS**

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

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAAG-STREIT UK LIMITED (CONTINUED)**

### **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 material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We enquired of management concerning the Company's policies and procedures relating to:
  - the identification, evaluation and compliance with laws and regulations;
  - the detection and response to the risks of fraud; and
  - the establishment of internal controls to mitigate risks related to fraud or non-compliance with laws and regulations.
- The Company is subject to many laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements. We identified the following laws and regulations as the most likely to have a material effect if non-compliance were to occur; United Kingdom Generally Accepted Accounting Practice, the Companies Act 2006, tax legislation, anti-bribery legislation, GDPR and employment law.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur, by evaluating management's incentives and opportunities for manipulation of the financial statements. This included the evaluation of the risk of management override of controls. We determined that the principal risks were in relation to:
  - journal entries that increased revenues or that reclassified costs from the income statement to the balance sheet.
  - potential management bias in determining accounting estimates, especially in relation to the calculation of impairment of related party balances and investments in subsidiaries, the calculation of the pension liability and dilapidations provision and the revaluation of stock.
  - transactions with related parties.
- It is the audit partner's assessment that the audit team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations.
- We obtained an understanding of the Company's operations, including the nature of its revenue sources, products and services and of its objectives and strategies to understand the classes of transactions, account balances, expected financial statement disclosures and business risks that may result in risks of material misstatement. We also considered the effectiveness of the Company's control environment to identify and prevent any irregularities and fraud.

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF HAAG-STREIT UK LIMITED (CONTINUED)

### USE OF OUR REPORT

This Report is made solely to the Company's Members in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's Members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's Members for our audit work, for this Report, or for the opinions we have formed.

*Grant Thornton UK LLP*

Andrew Hodgekins  
Senior Statutory Auditor  
for and on behalf of  
**Grant Thornton UK LLP**  
Statutory Auditor, Chartered Accountants  
Priory Place  
New London Rd  
Chelmsford  
CM2 0PP

Date: 1/6/2021

## HAAG-STREIT UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 £	2019 £
Turnover	4	9,795,958	9,270,057
Cost of sales		(5,308,024)	(5,990,402)
<b>GROSS PROFIT</b>		<b>4,487,934</b>	<b>3,279,655</b>
Administrative expenses		(3,864,498)	(2,647,235)
<b>OPERATING PROFIT</b>	5	<b>623,436</b>	<b>632,420</b>
Interest receivable and similar income		2,112	-
Interest payable and similar charges	9	(52,000)	(70,000)
<b>PROFIT BEFORE TAX</b>		<b>573,548</b>	<b>562,420</b>
Tax on profit	10	(89,797)	(79,230)
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>483,751</b>	<b>483,190</b>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>			
Actuarial losses on defined benefit pension scheme	21	(214,000)	(771,000)
Movement of deferred tax relating to pension deficit	17	40,660	146,490
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>(173,340)</b>	<b>(624,510)</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>310,411</b>	<b>(141,320)</b>

The notes on pages 13 to 32 form part of these financial statements.

**HAAG-STREIT UK LIMITED**  
**REGISTERED NUMBER: 02012269**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>FIXED ASSETS</b>			
Tangible assets	11	104,637	164,362
		<u>104,637</u>	<u>164,362</u>
<b>CURRENT ASSETS</b>			
Stocks	12	2,190,367	2,449,711
Debtors: amounts falling due after more than one year	13	531,430	576,080
Debtors: amounts falling due within one year	13	4,203,691	1,347,066
Cash at bank and in hand	14	1,914,062	3,890,130
		<u>8,839,550</u>	<u>8,262,987</u>
Creditors: amounts falling due within one year	15	(1,030,602)	(672,697)
		<u>7,808,948</u>	<u>7,590,290</u>
<b>NET CURRENT ASSETS</b>			
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			
		<u>7,913,585</u>	<u>7,754,652</u>
Creditors: amounts falling due after more than one year	16	(33,750)	(36,250)
<b>PROVISIONS FOR LIABILITIES</b>			
Other provisions	18	(1,148,027)	(1,062,005)
		<u>(1,148,027)</u>	<u>(1,062,005)</u>
Pension liability	21	(2,797,000)	(3,032,000)
		<u>3,934,808</u>	<u>3,624,397</u>
<b>NET ASSETS</b>			
<b>CAPITAL AND RESERVES</b>			
Called up share capital	19	1,000	1,000
Profit and loss account		3,933,808	3,623,397
		<u>3,934,808</u>	<u>3,624,397</u>

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

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

 1/6/2021

**D Johnson**  
Director

 1/6/2021

**T Bernhard**  
Director

The notes on pages 13 to 32 form part of these financial statements.

## HAAG-STREIT UK LIMITED

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

	Called up share capital £	Profit and loss account £	Total equity £
<b>At 1 January 2019 (as previously stated)</b>	1,000	7,358,715	7,359,715
Prior year adjustment	-	(3,593,998)	(3,593,998)
	<u>1,000</u>	<u>3,764,717</u>	<u>3,765,717</u>
<b>At 1 January 2019 (as restated)</b>			
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	483,190	483,190
	<u>-</u>	<u>483,190</u>	<u>483,190</u>
Actuarial gains on defined benefit pension scheme	-	(771,000)	(771,000)
Movement of deferred tax relating to pension deficit	-	146,490	146,490
	<u>-</u>	<u>(624,510)</u>	<u>(624,510)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	-	(624,510)	(624,510)
	<u>-</u>	<u>(624,510)</u>	<u>(624,510)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	(141,320)	(141,320)
	<u>-</u>	<u>(141,320)</u>	<u>(141,320)</u>
<b>At 1 January 2020</b>	1,000	3,623,397	3,624,397
<b>COMPREHENSIVE INCOME FOR THE YEAR</b>			
Profit for the year	-	483,751	483,751
	<u>-</u>	<u>483,751</u>	<u>483,751</u>
Actuarial losses on defined benefit pension scheme	-	(214,000)	(214,000)
Movement of deferred tax relating to pension deficit	-	40,660	40,660
	<u>-</u>	<u>(173,340)</u>	<u>(173,340)</u>
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR</b>	-	(173,340)	(173,340)
	<u>-</u>	<u>(173,340)</u>	<u>(173,340)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	-	310,411	310,411
	<u>-</u>	<u>310,411</u>	<u>310,411</u>
<b>AT 31 DECEMBER 2020</b>	<u>1,000</u>	<u>3,933,808</u>	<u>3,934,808</u>

The notes on pages 13 to 32 form part of these financial statements.

## HAAG-STREIT UK LIMITED

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

#### 1. General information

The Company is a private company limited by shares and is incorporated in England. The address of its Registered office is Edinburgh Way, Harlow, Essex, CM20 2TT.

Haag-Streit UK Limited's principal activity is manufacturing, selling and distribution of ophthalmic products to healthcare establishments and professionals.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102; the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling which is the functional currency of the company and rounded to the nearest pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### 2.2 Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following exemptions under the provisions of FRS 102:

- (i) The requirements of Section 11 paragraphs 11.39 to 11.48(a) and Section 12 paragraphs 12.26 to 12.29A, regarding disclosures for financial liabilities and assets, as the equivalent disclosures required by FRS 102 are included in the consolidated financial statements of the group in which the entity is consolidated.
- (ii) The exemption available under FRS 102 33.1A not to present disclosures of transactions entered into between two or more members of a group.
- (iii) The exemption available in FRS 102 not to prepare a cashflow statement on the grounds that the Company meets with the definition of a qualifying entity.



## **HAAG-STREIT UK LIMITED**

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

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

##### **2.3 Going concern**

The financial statements have been prepared on the going concern basis. In assessing the appropriateness of the going concern basis, the Directors have taken account of all relevant information covering a period of at least twelve months from the date of approval of the financial statements. The Directors consider it appropriate to continue to use the going concern assumption on the basis that the company will have sufficient resources to enable it to meet its liabilities as they fall due.

##### **COVID-19 Pandemic**

The World Health Authority (WHO) reported the first diagnosed case of COVID-19 on the 8th December 2019. During early 2020, various countries started to introduce restrictive measures (lockdowns) and restrictions on public transport (frequency and capacity reductions). It is certain that most organisations, including the Company, have been directly affected by the global impact of the COVID-19 pandemic. NHS hospitals focused their resources on managing COVID-19 and move away from non-essential elective procedures.

Although the future economic consequences of the COVID-19 pandemic remain difficult to assess from our current perspective, prudence dictated that there was a need for careful monitoring and planning during 2021. The Company is engaged in scenario and mitigation planning to help manage the impact of the pandemic on ongoing operations. Cashflow will be monitored and managed throughout the year. The Company is adhering to policies and advice from the UK government, NHS health authorities and WHO, and plans to reduce the impact of the situation by the adoption of appropriate policies and strategies. The Company continues to coordinate activities with the broader Clement Clarke and Haag-Streit Group of companies.

## HAAG-STREIT UK LIMITED

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

#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### **Rendering of services**

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

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

##### 2.5 Operating leases: the Company as lessee

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

##### 2.6 Research and development

Research and development expenditure is written off in the year in which it is incurred.

##### 2.7 Interest income

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

##### 2.8 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## HAAG-STREIT UK LIMITED

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

#### 2. Accounting policies (continued)

##### 2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

##### 2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Short-term leasehold property	- 10 years straight line basis
Plant and machinery	- 2 - 5 years straight line basis

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

## HAAG-STREIT UK LIMITED

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

#### 2. Accounting policies (continued)

##### 2.11 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Costs include all direct costs and an appropriate proportion of labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

##### 2.12 Debtors

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

##### 2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions. Cash equivalents are highly liquid investments and are readily convertible to known amounts of cash with insignificant risk of change in value.

##### 2.14 Creditors

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

##### 2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, and loans to related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

## HAAG-STREIT UK LIMITED

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

#### 2. Accounting policies (continued)

##### 2.16 Pensions

###### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payments obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

###### Defined benefit pension plan

The Company participates in a group defined benefit pension scheme called the Clement Clarke (Holdings) (1990) pension scheme providing benefits based on the final pensionable pay. The assets of the scheme are held separately from those of the Company, being invested in managed funds.

The liability recognised in the Balance Sheet in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the balance sheet date less the fair value of plan assets at the balance sheet date (if any) out of which the obligations are to be settled. The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in pounds sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Company's policy for similarly held assets. This includes the use of appropriate valuation techniques. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Actuarial gains and losses on defined benefit scheme'.

The cost of the defined benefit plan, recognised in profit or loss as employee costs, except where included in the cost of an asset, comprises:

- a) the increase in net pension benefit liability arising from employee service during the period; and
- b) the cost of plan introductions, benefit changes, curtailments and settlements.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is recognised in profit or loss as a 'finance expense'.

The scheme has been closed to new members and frozen to existing members for a number of years. The Group will continue to make payments into the scheme to meet the liability disclosed in note 20 below.

## HAAG-STREIT UK LIMITED

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

#### 2. Accounting policies (continued)

##### 2.17 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the balance sheet.

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

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

##### Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in note 20.

##### Taxation

The company establishes provisions based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience with previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority.

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies. Further details are contained in note 9.

##### Dilapidation provisioning

The directors make an estimate of the amount payable on exit of lease premises based on detailed information provided by experts.

**HAAG-STREIT UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****4. Turnover**

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

	2020 £	2019 £
Products	9,795,958	9,270,057
	<u>9,795,958</u>	<u>9,270,057</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	7,523,252	6,893,408
Rest of Europe	1,539,460	1,607,680
Rest of the World	733,246	768,969
	<u>9,795,958</u>	<u>9,270,057</u>

**5. Operating profit**

The operating profit is stated after crediting/charging:

	2020 £	2019 £
Exchange differences	(5)	-
Other operating lease rentals	119,339	122,729
Depreciation of leasehold property	28,885	28,885
Depreciation of other tangible fixed assets	30,840	45,645
Land and building operating lease rentals	389,108	390,227
	<u>                    </u>	<u>                    </u>

**6. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's Auditor and its associates for the audit of the Company's annual financial statements	<u>21,300</u>	<u>19,000</u>

No amounts were paid to the Company's Auditor for non-audit services during the year (2019 - £nil).

**HAAG-STREIT UK LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020****7. Employees**

	2020 £	2019 £
Wages and salaries	1,742,169	1,719,492
Social security costs	213,970	201,601
Cost of defined benefit scheme	(442)	(3,363)
Cost of defined contribution scheme	120,544	116,766
	<u>2,076,241</u>	<u>2,034,496</u>

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

	2020 No.	2019 No.
Production	11	12
Sales	30	30
Administration	1	1
	<u>42</u>	<u>43</u>

**8. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	134,845	146,315
Company contributions to defined contribution pension schemes	10,113	10,452
	<u>144,958</u>	<u>156,767</u>

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

**9. Interest payable and similar charges**

	2020 £	2019 £
Net interest expense on defined benefit liability	52,000	70,000
	<u>52,000</u>	<u>70,000</u>



## HAAG-STREIT UK LIMITED

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

## 10. Taxation

	2020 £	2019 £
<b>Current tax</b>		
Current tax on profits for the year	4,487	-
<b>Total current tax</b>	<u>4,487</u>	<u>-</u>
Origination and reversal of timing differences (Note 16)	85,310	79,230
<b>Total deferred tax</b>	<u>85,310</u>	<u>79,230</u>
<b>Taxation on profit on ordinary activities</b>	<u>89,797</u>	<u>79,230</u>

**Factors affecting tax charge for the year**

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

	2020 £	2019 £
Profit on ordinary activities before tax	<u>573,548</u>	<u>562,420</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	108,974	106,860
<b>Effects of:</b>		
Expenses not deductible for tax purposes	7,103	20,014
Capital allowances for year in excess of depreciation	10,024	12,547
Defined benefit pension contributions	(85,310)	(92,530)
Changes in provisions leading to an increase (decrease) in the tax charge	93	(55,399)
Other differences leading to an increase (decrease) in the tax charge	(36,397)	8,508
Pension adjustment (Note 21)	85,310	79,230
<b>Total tax charge for the year</b>	<u>89,797</u>	<u>79,230</u>

**Factors that may affect future tax charges**

The current standard rate of corporation tax is 19%. The Finance Bill 2021, when enacted will increase the rate applicable to taxable profits over £250,000 from the financial year beginning 1 April 2023 to 25%. This could lead to an increase in future tax charges.

## HAAG-STREIT UK LIMITED

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

## 11. Tangible assets

	Short-term leasehold property £	Plant and machinery £	Total £
<b>Cost</b>			
At 1 January 2020	288,848	840,427	1,129,275
At 31 December 2020	288,848	840,427	1,129,275
<b>Depreciation</b>			
At 1 January 2020	202,194	762,719	964,913
Charge for the year on owned assets	28,885	30,840	59,725
At 31 December 2020	231,079	793,559	1,024,638
<b>Net book value</b>			
At 31 December 2020	57,769	46,868	104,637
At 31 December 2019	86,654	77,708	164,362

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Short leasehold	57,769	86,654

## 12. Stocks

	2020 £	2019 £
Raw materials and consumables	603,090	925,472
Work in progress	97,104	90,260
Finished goods and goods for resale	1,490,173	1,433,979
	2,190,367	2,449,711

Stock recognised in cost of sales during the year as an expense was £5,069,696 (2019 - £4,539,411)

## HAAG-STREIT UK LIMITED

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

## 13. Debtors

	2020 £	2019 £
<b>Due after more than one year</b>		
Deferred tax asset (Note 16)	531,430	576,080
	<u>531,430</u>	<u>576,080</u>
<b>Due within one year</b>		
Trade debtors	1,352,441	902,030
Amounts owed by group undertakings	2,770,827	96,000
Other debtors	49,269	304,083
Prepayments and accrued income	31,154	44,953
	<u>4,203,691</u>	<u>1,347,066</u>

## 14. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,914,062	3,890,130
	<u>1,914,062</u>	<u>3,890,130</u>

## 15. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	252,165	151,588
Amounts owed to group undertakings	145,130	172,662
Corporation tax	-	23,016
Other taxation and social security	167,894	94,264
Other creditors	17,097	42,325
Accruals and deferred income	448,316	188,842
	<u>1,030,602</u>	<u>672,697</u>

## 16. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Other creditors	33,750	36,250
	<u>33,750</u>	<u>36,250</u>

## HAAG-STREIT UK LIMITED

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

## 17. Deferred taxation

	2020 £	2018 £
At beginning of year	576,080	508,820
Charged to the profit or loss	(85,310)	(79,230)
Charged to other comprehensive income	40,660	146,490
<b>At end of year</b>	<b>531,430</b>	<b>576,080</b>

The deferred tax asset is made up as follows:

	2020 £	2019 £
Pension surplus	531,430	576,080

## 18. Provisions

	Dilapidations provision £
At 1 January 2020	1,062,005
Charged to profit or loss	86,022
<b>At 31 December 2020</b>	<b>1,148,027</b>

Upon expiration of the lease, the Company has a contractual obligation to return the property back to the landlord in the same state of repair as when the lease began. Therefore, a dilapidations provision has been established. It is expected to be utilised within 5 years.

In the previous year the Directors asked an expert to undertake a review of the dilapidations provision and as a result the provision has been increased to £1,148,027.

## HAAG-STREIT UK LIMITED

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

## 19. Share capital

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
1,000 (2019 - 1,000) Ordinary shares of £1.00 each	1,000	1,000

Share capital represents the nominal values of shares issued. Shares carry voting rights and an entitlement to dividends.

## 20. Contingent and commitments

The Company has entered into a cross guarantee with its immediate parent company and fellow subsidiaries. Under the terms of the agreement and the guarantees, the bank is authorised to allow set-off for interest purposes and in certain circumstances to seize credit balances and apply them in reduction of liabilities including debtor balances.

At 31 December 2020, these undertakings had an aggregate overdraft balance of £NIL (2019 - £NIL).

**Deferred duty bond:**

The Company has deposited with its bankers a £100,000 bond in favour of HM Revenue and Customs as guarantee of deferred duty.

## HAAG-STREIT UK LIMITED

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

## 21. Pension

The Company operates a Defined Benefit Pension Scheme.

The Clement Clarke (Holdings) 1990 Pension Scheme (the "Scheme") was established on 1 April 1990. It is a final salary defined benefit pension scheme that provides benefits to all qualifying employees. The Scheme was closed to the future accrual of benefits on 30 November 2009.

The Principal Employer is Clement Clarke International Limited. There are three other Participating Employers, they are John Weiss & Son Limited, Clement Clarke International Limited and Clement Clarke Holdings Limited.

The Scheme is a registered scheme under UK legislation and is subject to the scheme funding requirements outlined in UK legislation. It is contracted-in to the state Earnings Related Pension Scheme (SERP) and the Second State Pension (S2P).

A trustee body, the Clement Clarke Pension Trustees Limited has been established and is responsible for the operation and governance of the Scheme, including decisions regarding the Scheme's funding and investment strategy in conjunction with the principal and participating employers.

The most recent formal actuarial valuation of the Scheme was carried out as at 31 March 2017, by Broadstone, independent qualified actuaries. Under the Schedule of Contributions agreed as part of this valuation, it was agreed that the principal and participating employers would pay £1,100,000 per annum (increasing on 1 January by 3.5% each year) into the Scheme between 1 July 2018 and 31 March 2029.

The liabilities at the reporting date are based on an approximate update of the 31 March 2017 actuarial valuation rather than a full scheme valuation at the reporting date. The 31 March 2017 actuarial valuation liabilities have been updated to allow for the passage of time, cashflows paid into and out of the Scheme and changes to the actuarial assumptions. Such an approach is normal for the purposes of pension scheme accounting.

Reconciliation of present value of plan liabilities:

	2020 £	2019 £
<b>Reconciliation of present value of plan liabilities</b>		
At the beginning of the year	8,083,000	7,035,000
Interest cost	151,000	201,000
Actuarial losses	828,000	1,183,000
Benefits paid	(218,000)	(191,000)
Past service cost	-	(145,000)
<b>At the end of the year</b>	<b>8,844,000</b>	<b>8,083,000</b>

## HAAG-STREIT UK LIMITED

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

## 21. Pension (continued)

Reconciliation of present value of plan assets:

	2020 £	2019 £
At the beginning of the year	5,051,000	4,357,000
Interest income	99,000	131,000
Contributions	501,000	487,000
Benefits paid	(218,000)	(191,000)
Return on plan assets excluding interest income gains	614,000	267,000
<b>At the end of the year</b>	<b>6,047,000</b>	<b>5,051,000</b>

Composition of plan assets:

	2020 £	2019 £
Multi-asset funds	2,531,000	2,211,000
Corporate bonds	955,000	718,000
Cash	313,000	269,000
LDI funds	2,248,000	1,853,000
<b>Total plan assets</b>	<b>6,047,000</b>	<b>5,051,000</b>

## HAAG-STREIT UK LIMITED

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

## 21. Pension (continued)

	2020 £	2019 £
Fair value of plan assets	6,047,000	5,051,000
Present value of plan liabilities	(8,844,000)	(8,083,000)
<b>Net pension scheme liability</b>	<b>(2,797,000)</b>	<b>(3,032,000)</b>

The amounts recognised in profit or loss are as follows:

	2020 £	2019 £
Net interest cost	52,000	70,000
<b>Total</b>	<b>52,000</b>	<b>70,000</b>

The Company expects to contribute £519,000 to its Defined Benefit Pension Scheme in 2021.

	2020 £	2019 £
<b>Analysis of actuarial loss recognised in Other Comprehensive Income</b>		
Actuarial (losses) on plan liabilities	(828,000)	(1,038,000)
Actuarial gains on plan assets	614,000	267,000
	<b>(214,000)</b>	<b>(771,000)</b>



## HAAG-STREIT UK LIMITED

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

## 21. Pension (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020 %	2019 %
Discount rate	1.3	1.9
RPI inflation rate	3.0	2.8
Future increases to pensions in payment - pre April '90	5.0	5
Future increases to pensions in payment - April '90 to April '97	3.0	3.0
Future increases to pensions in payment - post April '97	3.2	3.4

**Mortality rates:**

	S3PA_M CMI 2019	S2PA CMI 2018
Mortality (pre and post retirement)	1.25%	1.25%
	2020	2019
Life expectancies from age 65:		
- Male currently aged 65	21.3	21.5
- Female currently aged 65	23.7	23.4
- Male currently aged 45	22.7	22.8
- Female currently aged 45	25.2	24.9

At the end of the year the Company had £16,424 (2019 - £15,932) outstanding to the pension schemes.

## HAAG-STREIT UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**22. Commitments under operating leases**

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

	2020 £	2019 £
<b>Land and buildings</b>		
Not later than 1 year	380,000	380,000
Later than 1 year and not later than 5 years	538,333	918,333
	<u>918,333</u>	<u>1,298,333</u>
	2020 £	2019 £
<b>Other</b>		
Not later than 1 year	134,289	150,334
Later than 1 year and not later than 5 years	86,466	135,911
	<u>220,755</u>	<u>286,245</u>

**23. Related party transactions**

Sales and purchases from related parties were undertaken in the normal course of business with outstanding balances repayable on normal commercial terms. The Company has taken advantage of the exemption under FRS 102 (Section 33.1A) not to disclose transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member.

	2020 £	2019 £
<b>Key management compensation</b>		
Salaries and other short term employee benefits	<u>181,664</u>	<u>174,916</u>

The controlling party and ultimate controlling party are disclosed in note 23.

**HAAG-STREIT UK LIMITED**

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

**24. Ultimate parent undertaking and controlling party**

The company's immediate parent undertaking is Clement Clarke Holdings Limited, a company registered in England and Wales.

The ultimate parent undertaking and controlling party is Metall Zug AG, a company incorporated in Switzerland.

Metall Zug AG is the parent undertaking of the largest and smallest group undertaking for which group financial statements are drawn up and of which the Company is a member.

Copies of the consolidated financial statements for Metall Zug AG may be obtained from the Secretary, Metall Zug AG, Industriestrasse 66, 6302 Zug, Switzerland.