

Company Registration No. 02072257 (England and Wales)

**VAN HESSEN UK HOLDING LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**



# VAN HESSEN UK HOLDING LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr H J A Van Bortel Mrs N Van Rompaey
<b>Company number</b>	02072257
<b>Registered office</b>	Saville Chambers 4 Saville Street South Shields Tyne & Wear NE33 2PR
<b>Auditor</b>	Charlton & Co Saville Chambers 4 Saville Street South Shields Tyne & Wear NE33 2PR
<b>Business address</b>	Van Hessen BV Hoogeveeneweg 115 P O Box 220 Nieuwerkwek aan den Ijssel 2913 LV Netherlands

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# VAN HESSEN UK HOLDING LIMITED

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# VAN HESSEN UK HOLDING LIMITED

## STRATEGIC REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2021

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

#### **Fair review of the business**

The principal activity of the group is the sale of natural casings.

2021 has been a challenging year as the company deals with the continuing effects of the COVID-19 pandemic and the fall-out from Brexit.

Sales have been impacted, with turnover falling from £12,657,300 to £10,474,813, although part of the fall in value is due to alternative casings being used in the UK market. Even in these difficult conditions, the company has managed to increase its gross profit margin and with overheads remaining relatively unchanged, this increased in gross profit has helped to minimise the fall in net profits arising out of the fall in turnover.

Whilst the company was slightly overstocked at the end of the previous year in anticipation of there being problems with the importing of goods, stocks now stand at a more normal level, although they are still of a sufficient level to be able to meet all customer needs. Liquidity continues to improve, continuing a trend that started when the group's UK operations were restructured in 2019.

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

The principal activity of the company is the sale of natural casings.

2021 has been a challenging year as the company deals with the continuing effects of the COVID-19 pandemic and the fall-out from Brexit.

Sales have been impacted, with turnover falling from £12,657,300 to £10,474,813, although part of the fall in value is due to alternative casings being used in the UK market. Even in these difficult conditions, the company has managed to increase its gross profit margin and with overheads remaining relatively unchanged, this increased in gross profit has helped to minimise the fall in net profits arising out of the fall in turnover.

Whilst the company was slightly overstocked at the end of the previous year in anticipation of there being problems with the importing of goods, stocks now stand at a more normal level, although they are still of a sufficient level to be able to meet all customer needs. Liquidity continues to improve, continuing a trend that started when the group's UK operations were restructured in 2019.

#### **Key performance indicators**

As well as Gross Profit % (which has increased from 15.39% to 17.09%), the company considers EBITDA %, EBIT % and Result after Tax % to be the key indicators for the business. These are analysed monthly and action is taken where necessary to correct any adverse movements in them.

At the year end, the values for these indicators were:

EBITDA %	12.42% (2020 – 11.55%)
EBIT %	12.18% (2020 – 11.35%)
PAT %	9.87% (2020 - 9.12%)

# **VAN HESSEN UK HOLDING LIMITED**

## **STRATEGIC REPORT (continued)**

**FOR THE YEAR ENDED 31 DECEMBER 2021**

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On behalf of the board



Mrs N Van Rompaey  
**Director**

25 February 2022

# **VAN HESSEN UK HOLDING LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2021**

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The directors present their annual report and financial statements for the year ended 31 December 2021.

#### **Principal activities**

The principal activity of the company is that of a holding company and that of its subsidiary is the sale of natural sausage casings.

#### **Results and dividends**

The results for the year are set out on page 8.

No ordinary dividends were paid. The directors do not recommend payment of a further dividend.

#### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr H J A Van Bortel

Mrs N Van Rompaey

#### **Future developments**

There are no plans in place to significantly alter the group's operations in the foreseeable future.

#### **Auditor**

The auditor, Charlton and Co., is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the group and company, and of the profit or loss of the group 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

#### **Strategic report**

The group has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of the review of the business and a description of the principal risks and uncertainties facing the business.

# **VAN HESSEN UK HOLDING LIMITED**

## **DIRECTORS' REPORT (continued)**

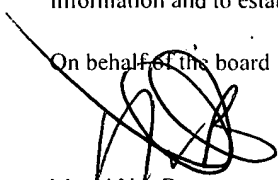
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the auditor of the company is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the auditor of the company is aware of that information.

On behalf of the board



Mrs N Van Rompaey  
**Director**

25 February 2022

# VAN HESSEN UK HOLDING LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF VAN HESSEN UK HOLDING LIMITED

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#### Opinion

We have audited the financial statements of Van Hessen UK Holding Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2021 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement of cash flows, the company statement of cash flows and notes to the financial statements, including 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 state of the group's and the parent company's affairs as at 31 December 2021 and of the group's 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 group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

#### Other information

The 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 our 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### Opinions on other matters prescribed by the Companies Act 2006

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



# VAN HESSEN UK HOLDING LIMITED

## INDEPENDENT AUDITOR'S REPORT (continued)

### TO THE MEMBERS OF VAN HESSEN UK HOLDING LIMITED

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#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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, 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 parent 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.

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

We have obtained an understanding of the legal and regulatory frameworks that are applicable to the company and consider the most significant are those that relate to the reporting framework (FRS102, the Companies Act 2006 and UK tax legislation), as well as regulatory standards set by the Food Standards Agency, including BRC Global Standards. We have also considered the opportunities and incentives that exist within the company for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to revenue recognition, with a particular risk in relation to completeness, and the potential for management to manipulate financial performance by the processing of manual adjustments or through significant or one-off unusual transactions.

Audit procedures performed by the engagement team included:

- Enquiries of management and those charged with governance about their own consideration of known or suspected incidences of non-compliance with laws and regulations and fraud;
- Reviewing the appropriateness of the company's accounting policies;
- Review of third party certification and related correspondence, and publicly available records;
- Detailed transactional testing and analytical procedures with regard to the recognition of revenue;
- Testing the appropriateness of journal entries and other manual adjustments;
- Reviewing large or unusual transactions.

# **VAN HESSEN UK HOLDING LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (continued)**

### **TO THE MEMBERS OF VAN HESSEN UK HOLDING LIMITED**

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There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one arising as a result of error, as fraud may involve deliberate concealment by, for example, forgery, intentional misrepresentation, or through collusion.

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

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an 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.

  
**Mark Charlton FCA (Senior Statutory Auditor)**  
**For and on behalf of Charlton & Co**

25 February 2022

**Chartered Accountants**  
**Statutory Auditor**

Saville Chambers  
4 Saville Street  
South Shields  
Tyne & Wear  
NE33 2PR

# VAN HESSEN UK HOLDING LIMITED

## GROUP STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>2</b>	<b>10,474,813</b>	<i>12,657,300</i>
Cost of sales		<b>(8,684,182)</b>	<i>(10,709,522)</i>
<b>Gross profit</b>		<b>1,790,631</b>	<i>1,947,778</i>
Distribution costs		<b>(782)</b>	<i>(655)</i>
Administrative expenses		<b>(513,621)</b>	<i>(510,399)</i>
<b>Operating profit</b>	<b>3</b>	<b>1,276,228</b>	<i>1,436,724</i>
Interest receivable and similar income	<b>6</b>	<b>878</b>	-
Interest payable and similar expenses	<b>7</b>	-	<i>(3,202)</i>
<b>Profit before taxation</b>		<b>1,277,106</b>	<i>1,433,522</i>
Tax on profit	<b>8</b>	<b>(243,607)</b>	<i>(279,547)</i>
<b>Profit for the financial year</b>	<b>18</b>	<b>1,033,499</b>	<i>1,153,975</i>

Profit for the financial year is all attributable to the owner of the parent company.

Total comprehensive income for the year is all attributable to the owner of the parent company.

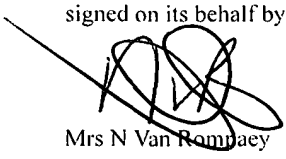
# VAN HESSEN UK HOLDING LIMITED

## GROUP BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Tangible assets	9		205,555		221,906
<b>Current assets</b>					
Stocks	12	2,342,571		3,026,184	
Debtors	13	4,273,087		1,692,154	
Cash at bank and in hand		195,820		731,109	
		<u>6,811,478</u>		<u>5,449,447</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(960,049)</u>		<u>(645,390)</u>	
<b>Net current assets</b>			<u>5,851,429</u>		<u>4,804,057</u>
<b>Total assets less current liabilities</b>			<u>6,056,984</u>		<u>5,025,963</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	15	<u>26,409</u>		<u>28,887</u>	
			<u>(26,409)</u>		<u>(28,887)</u>
<b>Net assets</b>			<u><u>6,030,575</u></u>		<u><u>4,997,076</u></u>
<b>Capital and reserves</b>					
Called up share capital	17		166,000		166,000
Profit and loss reserves	18		5,864,575		4,831,076
<b>Total equity</b>			<u><u>6,030,575</u></u>		<u><u>4,997,076</u></u>

The financial statements were approved by the board of directors and authorised for issue on 25 February 2022 and are signed on its behalf by:

  
Mrs N Van Rompaey  
Director

# VAN HESSEN UK HOLDING LIMITED

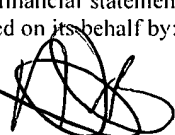
## COMPANY BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Investments	10		1,755,100		1,755,100
<b>Current assets</b>					
Debtors	13	15,355		15,355	
<b>Net current assets</b>			15,355		15,355
<b>Net assets</b>			<u>1,770,455</u>		<u>1,770,455</u>
<b>Capital and reserves</b>					
Called up share capital	17		166,000		166,000
Profit and loss reserves	18		1,604,455		1,604,455
<b>Total equity</b>			<u>1,770,455</u>		<u>1,770,455</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £0 (2020 - £0 profit).

The financial statements were approved by the board of directors and authorised for issue on 25 February 2022 and are signed on its behalf by:



Mrs N Van Rompaey  
Director

Company Registration No. 02072257

# VAN HESSEN UK HOLDING LIMITED

## GROUP STATEMENT OF CHANGES IN EQUITY

### FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2020</b>	<i>166,000</i>	<i>3,677,101</i>	<i>3,843,101</i>
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	<i>1,153,975</i>	<i>1,153,975</i>
<b>Balance at 31 December 2020</b>	<i>166,000</i>	<i>4,831,076</i>	<i>4,997,076</i>
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	<b>1,033,499</b>	<b>1,033,499</b>
<b>Balance at 31 December 2021</b>	<b>166,000</b>	<b>5,864,575</b>	<b>6,030,575</b>

# VAN HESSEN UK HOLDING LIMITED

## COMPANY STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 January 2020</b>	<i>166,000</i>	<i>1,604,455</i>	<i>1,770,455</i>
<b>Year ended 31 December 2020:</b>			
Profit and total comprehensive income for the year	-	-	-
<b>Balance at 31 December 2020</b>	<i>166,000</i>	<i>1,604,455</i>	<i>1,770,455</i>
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income for the year	-	-	-
<b>Balance at 31 December 2021</b>	<u><u>166,000</u></u>	<u><u>1,604,455</u></u>	<u><u>1,770,455</u></u>

# VAN HESSEN UK HOLDING LIMITED

## GROUP STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	21	(247,144)		253,234	
Interest paid		-		(3,202)	
Income taxes paid		(280,652)		(171,761)	
<b>Net cash (outflow)/inflow from operating activities</b>		<b>(527,796)</b>		<b>78,271</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(8,610)		-	
Proceeds on disposal of tangible fixed assets		239		-	
Interest received		878		-	
<b>Net cash used in investing activities</b>		<b>(7,493)</b>		<b>-</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(535,289)</b>		<b>78,271</b>	
Cash and cash equivalents at beginning of year		731,109		652,838	
<b>Cash and cash equivalents at end of year</b>		<b>195,820</b>		<b>731,109</b>	



**COMPANY STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### **1 Accounting policies**

##### **Company information**

Van Hessen UK Holding Limited ("the company") is a private limited company domiciled and incorporated in England and Wales. The registered office is Saville Chambers, 4 Saville Street, South Shields, Tyne & Wear, NE33 2PR.

The group consists of Van Hessen UK Holding Limited and all of its subsidiaries.

##### **1.1 Accounting convention**

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of freehold properties and to include investment properties and certain financial instruments at fair value. The principal accounting policies adopted are set out below.

##### **1.2 Business combinations**

In the parent company financial statements, the cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill. The cost of the combination includes the estimated amount of contingent consideration that is probable and can be measured reliably, and is adjusted for changes in contingent consideration after the acquisition date. Provisional fair values recognised for business combinations in previous periods are adjusted retrospectively for final fair values determined in the 12 months following the acquisition date. Investments in subsidiaries, joint ventures and associates are accounted for at cost less impairment.

##### **1.3 Basis of consolidation**

The consolidated group financial statements consist of the financial statements of the parent company Van Hessen UK Holding Limited together with all entities controlled by the parent company (its subsidiaries) and the group's share of its interests in joint ventures and associates.

All financial statements are made up to 31 December 2021. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(continued)

##### 1.4 Going concern

The Directors have considered the continuing impact of COVID-19 on the company as part of its going concern review. The effects of the pandemic on the company so far have been minimal. The company has not been in receipt of any Government support during the pandemic, nor has there been any impact upon the company's supply chain. The company operates with a small team and has been able to adapt its procedures such that staff have been able to work from home where possible. The main impact of COVID-19 has been upon sales. A proportion of the company's customer base deals with the hospitality industry, which had been closed for long periods due to various local and national lockdowns or has seen reduced demand since re-opening. Sales to these customers either decreased or ceased entirely but have since recommenced as lockdowns and restrictions have ended. However, sales to those companies that deal either directly or indirectly with the public, have seen business continue although at reduced levels. While we see a reduction in UK demand of natural casings due to alternative casings being used our customer base is diverse enough to withstand.

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and they do not consider that there are any material uncertainties regarding going concern arising out of the COVID-19 pandemic. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

##### 1.5 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

##### 1.6 Tangible fixed assets

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

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 and buildings	5% to 10% straight line
Plant and equipment	20% to 25% straight line
Computers	33.33% straight line

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 profit and loss account.

##### 1.7 Fixed asset investments

Equity investments are measured at fair value through profit or loss, except for those equity investments that are not publicly traded and whose fair value cannot otherwise be measured reliably, which are recognised at cost less impairment until a reliable measure of fair value becomes available.

In the parent company financial statements, investments in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1 Accounting policies

(continued)

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

##### 1.8 Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

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.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. 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) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.9 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost represents the invoiced purchase price of goods.

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

##### 1.10 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and 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. Bank overdrafts are shown within borrowings in current liabilities.

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(continued)

##### 1.11 Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the group's balance sheet when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and the net amounts presented in the financial statements when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### *Basic financial assets*

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### *Other financial assets*

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

##### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the group transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### *Classification of financial liabilities*

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the group after deducting all of its liabilities.

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies

(continued)

##### *Basic financial liabilities*

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### *Other financial liabilities*

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

##### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the group's contractual obligations expire or are discharged or cancelled.

#### 1.12 Equity instruments

Equity instruments issued by the group are recorded at the proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

#### 1.13 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 profit and loss account 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 group'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 liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing 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.

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 1 Accounting policies (continued)

##### 1.14 Employee benefits

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

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

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

##### 1.15 Retirement benefits

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

##### 1.16 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss 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 leased asset are consumed.

##### 1.17 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 in the period are included in profit or loss.

#### 2 Turnover and other revenue

	2021 £	2020 £
<b>Turnover analysed by class of business</b>	<b>10,474,813</b>	<b>12,657,300</b>
	2021 £	2020 £
<b>Turnover analysed by geographical market</b>		
United Kingdom and Ireland	9,875,100	12,233,370
Mainland Europe	599,713	423,930
	<b>10,474,813</b>	<b>12,657,300</b>
	2021 £	2020 £
<b>Other significant revenue</b>		
Interest income	878	-

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 3 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	9,665	317,032
Depreciation of owned tangible fixed assets	24,961	24,938
Profit on disposal of tangible fixed assets	(239)	-
Operating lease charges	14,360	16,400
	<u>14,360</u>	<u>16,400</u>

#### 4 Auditor's remuneration

	2021	2020
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the group and company	-	-
Audit of the financial statements of the company's subsidiaries	13,000	13,200
	<u>13,000</u>	<u>13,200</u>

#### 5 Employees

The average monthly number of persons (excluding directors) employed by the group and company during the year was:

	Group 2021 Number	2020 Number	Company 2021 Number	2020 Number
Sales and administration	6	6	-	-
Production	4	4	-	-
Total	<u>10</u>	<u>10</u>	<u>-</u>	<u>-</u>

Their aggregate remuneration comprised:

	Group 2021 £	2020 £	Company 2021 £	2020 £
Wages and salaries	281,807	306,099	-	-
Social security costs	39,732	41,065	-	-
Pension costs	14,120	13,806	-	-
	<u>335,659</u>	<u>360,970</u>	<u>-</u>	<u>-</u>



# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

### 6 Interest receivable and similar income

	2021	2020
	£	£
<b>Interest income</b>		
Interest on bank deposits	878	-
	<u>878</u>	<u>-</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	878	-
	<u>878</u>	<u>-</u>

### 7 Interest payable and similar expenses

	2021	2020
	£	£
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	-	3,202
	<u>-</u>	<u>3,202</u>

### 8 Taxation

	2021	2020
	£	£
<b>Current tax</b>		
UK corporation tax on profits for the current period	246,085	285,393
Adjustments in respect of prior periods	(179,641)	-
Group tax relief	179,641	-
	<u>246,085</u>	<u>285,393</u>
Total current tax	246,085	285,393
	<u>246,085</u>	<u>285,393</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(2,478)	(5,846)
	<u>(2,478)</u>	<u>(5,846)</u>
Total tax charge	243,607	279,547
	<u>243,607</u>	<u>279,547</u>

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 8 Taxation

(continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	<u>1,277,106</u>	<u>1,433,522</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	242,650	272,369
Tax effect of expenses that are not deductible in determining taxable profit	169	3,792
Capital allowances in excess of depreciation	1,456	3,386
	(258)	-
	(410)	-
Taxation charge	<u>243,607</u>	<u>279,547</u>

#### 9 Tangible fixed assets

Group	Freehold land and buildings £	Plant and equipment £	Computers £	Total £
<b>Cost</b>				
At 1 January 2021	647,893	12,914	17,362	678,169
Additions	8,610	-	-	8,610
Disposals	-	-	(1,000)	(1,000)
At 31 December 2021	<u>656,503</u>	<u>12,914</u>	<u>16,362</u>	<u>685,779</u>
<b>Depreciation and impairment</b>				
At 1 January 2021	425,987	12,914	17,362	456,263
Depreciation charged in the year	24,961	-	-	24,961
Eliminated in respect of disposals	-	-	(1,000)	(1,000)
At 31 December 2021	<u>450,948</u>	<u>12,914</u>	<u>16,362</u>	<u>480,224</u>
<b>Carrying amount</b>				
At 31 December 2021	<u>205,555</u>	<u>-</u>	<u>-</u>	<u>205,555</u>
At 31 December 2020	<u>221,906</u>	<u>-</u>	<u>-</u>	<u>221,906</u>

The company had no tangible fixed assets at 31 December 2021 or 31 December 2020.

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 10 Fixed asset investments

	Notes	Group 2021 £	2020 £	Company 2021 £	2020 £
Investments in subsidiaries	11	-	-	1,755,100	1,755,100

#### Movements in fixed asset investments Company

##### Cost or valuation

At 1 January 2021 and 31 December 2021

Shares in  
subsidiaries  
£

1,755,100

##### Carrying amount

At 31 December 2021

1,755,100

At 31 December 2020

1,755,100

#### 11 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Van Hessen UK Casings Limited	The Parade, Sunderland, Tyne and Wear SR2 8NT	Ordinary	100.00

#### 12 Stocks

	Group 2021 £	2020 £	Company 2021 £	2020 £
Finished goods and goods for resale	2,342,571	3,026,184	-	-

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 13 Debtors

	Group 2021	2020	Company 2021	2020
Amounts falling due within one year:	£	£	£	£
Trade debtors	926,781	1,348,946	-	-
Corporation tax recoverable	47,311	-	-	-
Amounts owed by group undertakings	3,276,765	336,166	15,355	15,355
Other debtors	3,235	2,097	-	-
Prepayments and accrued income	18,995	4,945	-	-
	<u>4,273,087</u>	<u>1,692,154</u>	<u>15,355</u>	<u>15,355</u>

#### 14 Creditors: amounts falling due within one year

	Group 2021	2020	Company 2021	2020
	£	£	£	£
Trade creditors	16,462	10,560	-	-
Amounts owed to group undertakings	805,339	330,237	-	-
Corporation tax payable	-	166,898	-	-
Other taxation and social security	8,208	7,875	-	-
Other creditors	1,899	1,870	-	-
Accruals and deferred income	128,141	127,950	-	-
	<u>960,049</u>	<u>645,390</u>	<u>-</u>	<u>-</u>

#### 15 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the group and company, and movements thereon:

	Liabilities 2021	Liabilities 2020
Group	£	£
Accelerated capital allowances	31,730	33,381
Other timing differences	(5,321)	(4,494)
	<u>26,409</u>	<u>28,887</u>

The company has no deferred tax assets or liabilities.

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued) FOR THE YEAR ENDED 31 DECEMBER 2021

### 15 Deferred taxation (continued)

	Group 2021 £	Company 2021 £
<b>Movements in the year:</b>		
Liability at 1 January 2021	28,887	-
Credit to profit or loss	(2,478)	-
Liability at 31 December 2021	<u>26,409</u>	<u>-</u>

Of the deferred tax liability above, £ 560 is expected to reverse in the next 12 months. This amount relates to the excess of accelerated capital allowances that are expected to mature over the reduction in other timing differences that will reverse.

### 16 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>14,120</u>	<u>13,806</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

### 17 Share capital

Group and company	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary shares of £1 each	<u>166,000</u>	<u>166,000</u>	<u>166,000</u>	<u>166,000</u>

### 18 Reserves

#### Equity reserve

This reserve records retained earnings and accumulated losses.

# VAN HESSEN UK HOLDING LIMITED

## NOTES TO THE GROUP FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 DECEMBER 2021

#### 19 Operating lease commitments

##### Lessee

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

	Group 2021 £	2020 £	Company 2021 £	2020 £
Within one year	19,903	18,078	-	-
Between two and five years	19,025	19,673	-	-
	<u>38,928</u>	<u>37,751</u>	<u>-</u>	<u>-</u>

#### 20 Controlling party

The parent company of the smallest group which draws up group accounts is Saria Nederland BV, whose registered office is Korte Oijen 6, Katwijk, 5433 NE, Netherlands

#### 21 Cash (absorbed by)/generated from group operations

	2021 £	2020 £
Profit for the year after tax	1,033,499	1,153,975
<b>Adjustments for:</b>		
Taxation charged	243,607	279,547
Finance costs	-	3,202
Investment income	(878)	-
Gain on disposal of tangible fixed assets	(239)	-
Depreciation and impairment of tangible fixed assets	24,961	24,938
<b>Movements in working capital:</b>		
Decrease/(increase) in stocks	683,613	(13,332)
(Increase)/decrease in debtors	(2,533,622)	138,114
Increase/(decrease) in creditors	301,915	(1,333,210)
<b>Cash (absorbed by)/generated from operations</b>	<u>(247,144)</u>	<u>253,234</u>

#### 22 Analysis of changes in net funds - group

	1 January 2021 £	Cash flows £	31 December 2021 £
Cash at bank and in hand	<u>731,109</u>	<u>(535,289)</u>	<u>195,820</u>