

Company registration number 00227842 (England and Wales)

KOLBUS AUTOBOX LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022



KOLBUS AUTOBOX LIMITED

COMPANY INFORMATION

Directors	S R Penwright J C D Walker G Bird
Secretary	Mr G Bird
Company number	00227842
Registered office	Kolbus House Blackburn Road Houghton Regis Dunstable Beds LU5 5BQ
Auditor	Mercer & Hole LLP Silbury Court 420 Silbury Boulevard Central Milton Keynes MK9 2AF

KOLBUS AUTOBOX LIMITED

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KOLBUS AUTOBOX LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present the strategic report for the year ended 31 December 2022.

Fair review of the business

Machinery sales were consistent throughout the year, although irregular electronic component supply was a challenge to maintaining production schedules.

Material and energy costs were well managed and somewhat mitigated by product price reviews, the company also invested in additional staff in the second half of the year, to maximise component production to reduce purchased component costs.

Product development continued throughout the year to enable a new generation machine launch in early 2023. Initial customer interest in the new product range is extremely encouraging.

Principal risks and uncertainties

There are a number of principal risks and uncertainties which could have an impact on the performance of the Company. The Directors review and agree policies for managing each of these risks as follows:

Financial instruments

The Company uses various financial instruments including intra-group borrowings, cash and various items such as trade debtors and trade creditors, that arise directly from its operations.

The main purpose of these financial instruments is to raise finance for the Company's operations.

The existence of these financial instruments exposes the Company to a number of financial risks. The main risk arising from the Company's financial instruments is currency risk.

Currency risk

The Company purchases components from its parent company in Germany in both Euros and Sterling and consequently is exposed to fluctuations in exchange rates. The Company does not make use of hedging instruments or derivatives but seeks to match the value of assets and liabilities in the same denomination.

Credit risk

The Company's principal financial assets are cash and trade debtors. The company trades almost exclusively with other group companies so has no trade debtors outside the ultimate group.

Liquidity risk

The Company seeks to managed financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably.

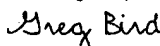
Interest rate risk

The Company finances its operations primarily through retained profits and debt from affiliates. Trade debtors and creditors do not attract interest and are therefore subject to fair value interest rate risk.

Other performance indicators

The Company uses turnover and profit as the key performance indicators.

On behalf of the board

DocuSigned by:

61BA04473FC244B:.....
G Bird
Director

Date: 27/4/2023

KOLBUS AUTOBOX LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2022

The directors present their annual report and financial statements for the year ended 31 December 2022.

Principal activities

The principal activity of the company continued to be that of the design and manufacturing of corrugated packaging machinery.

Directors

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

R M Flather	(Resigned 31 July 2022)
S R Penwright	
J C D Walker	
G Bird	

Results and dividends

The results for the year are set out on page 7.

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

Going Concern

The business continues to trade. The Directors have reviewed forecasts for the 12 months from the date of signing of these financial statements and are satisfied that the Group will remain a going concern.

We have the ongoing support of our ultimate parent undertaking who have confirmed their commitment to the business as they are confident of its long term future.

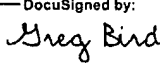
Auditor

The company's auditor, Mercer & Hole, incorporated on 1 October 2022 to become Mercer & Hole LLP. The directors have consented to treating the incorporation of Mercer & Hole LLP as a continuation of the existing audit arrangement and in accordance with the company's articles, a resolution proposing that Mercer & Hole LLP be reappointed as auditor of the company will be put at a General Meeting.

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 company's auditor 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 company's auditor is aware of that information.

On behalf of the board

DocuSigned by:

.....818A04473FC2448.....
G Bird
Director

Date: 27/4/2023
.....

KOLBUS AUTOBOX LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

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 company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

KOLBUS AUTOBOX LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF KOLBUS AUTOBOX LIMITED

Opinion

We have audited the financial statements of Kolbus Autobox Limited (the 'company') for the year ended 31 December 2022 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity 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 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 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

KOLBUS AUTOBOX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KOLBUS AUTOBOX LIMITED

Matters on which we are required to report by exception

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

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

KOLBUS AUTOBOX LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF KOLBUS AUTOBOX LIMITED

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. These included, but were not limited to, the Companies Act 2006 and tax legislation.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and the financial report (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate entries including journals to overstate revenue or understate expenditure and management bias in accounting estimates.

Audit procedures performed by the engagement team included:

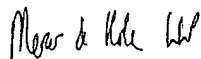
- discussions with management, including considerations of known or suspected instances of non-compliance with laws and regulations and fraud;
- gaining an understanding of management's controls designed to prevent and detect irregularities; and
- identifying and testing journal entries.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Steve Robinson FCA
Senior Statutory Auditor
For and on behalf of Mercer & Hole LLP

Date: 27 April 2023

Chartered Accountants
Statutory Auditor

Silbury Court
420 Silbury Boulevard
Central Milton Keynes
MK9 2AF

KOLBUS AUTOBOX LIMITED**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

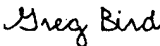
	Notes	2022 £	2021 £
Turnover	3	3,390,980	3,812,670
Cost of sales		(2,567,372)	(2,695,745)
Gross profit		823,608	1,116,925
Administrative expenses		(917,155)	(903,194)
Other operating income		-	41,041
Operating (loss)/profit	4	(93,547)	254,772
Interest payable and similar expenses	8	(40,736)	(30,319)
(Loss)/profit before taxation		(134,283)	224,453
Tax on (loss)/profit	9	(2,437)	2,437
(Loss)/profit for the financial year		(136,720)	226,890

The profit and loss account has been prepared on the basis that all operations are continuing operations.

KOLBUS AUTOBOX LIMITED**BALANCE SHEET****AS AT 31 DECEMBER 2022**

	Notes	2022 £	£	2021 £	£
Fixed assets					
Intangible assets	10		5,237		4,211
Tangible assets	11		1,376,693		1,450,570
			<u>1,381,930</u>		<u>1,454,781</u>
Current assets					
Stocks	13	940,767		833,174	
Debtors	14	385,489		436,732	
Cash at bank and in hand		1,551		5,403	
		<u>1,327,807</u>		<u>1,275,309</u>	
Creditors: amounts falling due within one year	15	<u>(2,839,389)</u>		<u>(1,964,912)</u>	
Net current liabilities			<u>(1,511,582)</u>		<u>(689,603)</u>
Total assets less current liabilities			<u>(129,652)</u>		<u>765,178</u>
Creditors: amounts falling due after more than one year	16		-		(758,110)
Net (liabilities)/assets			<u>(129,652)</u>		<u>7,068</u>
Capital and reserves					
Called up share capital	20		2,529		2,529
Capital redemption reserve			12,761		12,761
Profit and loss reserves			<u>(144,942)</u>		<u>(8,222)</u>
Total equity			<u>(129,652)</u>		<u>7,068</u>

The financial statements were approved by the board of directors and authorised for issue on 27/4/2023 and are signed on its behalf by:

DocuSigned by:

61BA04473FC2448.....
 G Bird
 Director

Company Registration No. 00227842

KOLBUS AUTOBOX LIMITED**STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2022**

	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2021	2,529	12,761	(235,112)	(219,822)
Year ended 31 December 2021:				
Profit and total comprehensive income for the year	-	-	226,890	226,890
Balance at 31 December 2021	2,529	12,761	(8,222)	7,068
Year ended 31 December 2022:				
Loss and total comprehensive income for the year	-	-	(136,720)	(136,720)
Balance at 31 December 2022	<u>2,529</u>	<u>12,761</u>	<u>(144,942)</u>	<u>(129,652)</u>

KOLBUS AUTOBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

Company information

Kolbus Autobox Limited is a private company limited by shares incorporated in England and Wales. The registered office is Kolbus House, Blackburn Road, Houghton Regis, Dunstable, Beds, LU5 5BQ.

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.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Kolbus UK Limited as at 31 December 2022. These consolidated financial statements are available from Companies House.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Kolbus Autobox Limited is a wholly owned subsidiary of Autobox Machinery Limited and the results of Kolbus Autobox Limited are included in the consolidated financial statements of Kolbus UK Limited which are available from Kolbus House, Blackburn Road, Houghton Regis, Dunstable, LU5 5BQ.

1.2 Going concern

The directors have produced forecasts and estimated the impact for the next 18 months in some detail, aware that there are still uncertainties associated with any forecast. Based on current banking facilities and cash held within the UK Group, the company and UK Group can continue to operate with the ongoing support of the ultimate parent company in Germany.

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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

KOLBUS AUTOBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the group 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

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

- the Group has transferred significant risks and rewards of ownership to the buyer;
- the group 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 group will receive 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

Turnover 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 Group 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.

1.4 Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation 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:

Computer software	20% straight line
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1.5 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	2% straight line
Plant and equipment	20% straight line
Fixtures and fittings	20% straight line
Motor vehicles	20% straight line

KOLBUS AUTOBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

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 credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

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.

1.7 Stocks

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

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

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.

1.8 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.

KOLBUS AUTOBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.9 Financial instruments

The company 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 company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with 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 company 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 company after deducting all of its liabilities.

KOLBUS AUTOBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans and loans from fellow group 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, for example 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 company's contractual obligations expire or are discharged or cancelled.

1.10 Equity instruments

Equity instruments issued by the company 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 company.

1.11 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.

1.12 Retirement benefits

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

KOLBUS AUTOBOX LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

1 Accounting policies

(Continued)

1.13 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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 leases asset are consumed.

1.14 Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.15 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

Provision for bad debts

The Company assesses its trade and other receivables at each reporting date. In determining whether an impairment loss should be recorded in the profit and loss account the company makes judgements as to whether observable data indicating a measurable decrease in the estimated future cash flows from the trade and other receivables.

KOLBUS AUTOBOX LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****3 Turnover and other revenue**

	2022	2021
	£	£
Turnover analysed by class of business		
Sale of goods	3,246,643	3,661,028
Rendering of services	144,337	151,642
	<u>3,390,980</u>	<u>3,812,670</u>
	2022	2021
	£	£
Turnover analysed by geographical market		
United Kingdom	866,723	1,268,367
Rest of Europe	2,524,257	2,416,695
Rest of the world	-	127,608
	<u>3,390,980</u>	<u>3,812,670</u>
	2022	2021
	£	£
Other revenue		
Grants received	-	41,041
	<u>-</u>	<u>41,041</u>

4 Operating (loss)/profit

	2022	2021
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	48,825	(32,206)
Government grants	-	(41,041)
Fees payable to the company's auditor for the audit of the company's financial statements	6,950	7,620
Depreciation of owned tangible fixed assets	75,147	102,524
Profit on disposal of tangible fixed assets	-	(440)
Amortisation of intangible assets	2,514	3,321
Operating lease charges	-	14,629
	<u>131,436</u>	<u>154,407</u>

5 Auditor's remuneration

	2022	2021
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	<u>6,950</u>	<u>7,620</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

KOLBUS AUTOBOX LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
FOR THE YEAR ENDED 31 DECEMBER 2022**6 Employees**

The average monthly number of persons (including directors) employed by the company during the year was:
30

	2022	2021
	Number	Number
Administration	5	5
Research and development	6	5
Manufacturing and installation	18	19
Sales	1	1
	<u>30</u>	<u>30</u>
Total	<u>30</u>	<u>30</u>

Their aggregate remuneration comprised:

	2022	2021
	£	£
Wages and salaries	1,094,954	1,085,181
Social security costs	86,784	84,990
Pension costs	62,387	61,077
	<u>1,244,125</u>	<u>1,231,248</u>

7 Directors' remuneration

	2022	2021
	£	£
Remuneration for qualifying services	202,301	199,063
Company pension contributions to defined contribution schemes	22,579	22,188
	<u>224,880</u>	<u>221,251</u>

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2022	2021
	£	£
Remuneration for qualifying services	104,282	98,905
Company pension contributions to defined contribution schemes	7,131	18,237
	<u>111,413</u>	<u>117,142</u>

KOLBUS AUTOBOX LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****8 Interest payable and similar expenses**

	2022	2021
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	40,622	29,149
Other finance costs:		
Interest on finance leases and hire purchase contracts	114	1,170
	<u>40,736</u>	<u>30,319</u>

9 Taxation

	2022	2021
	£	£
Current tax		
Adjustments in respect of prior periods	2,437	(2,437)

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

	2022	2021
	£	£
(Loss)/profit before taxation	(134,283)	224,453
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	(25,514)	42,646
Tax effect of expenses that are not deductible in determining taxable profit	158	35
Unutilised tax losses carried forward	25,356	-
Adjustments in respect of prior years	-	(12,460)
Other permanent differences	2,437	-
Deferred tax adjustments in respect of prior years	-	(124,455)
Deferred tax not recognised	-	86,094
Fixed asset differences	-	5,703
Taxation charge/(credit) for the year	<u>2,437</u>	<u>(2,437)</u>

The company has tax losses of £2,021,909 (31 December 2021: £1,947,005) that are available indefinitely to offset against future trading profits. There is an associated deferred tax asset of approximately £505,477 (31 December 2021: £486,751) which has not been recognised as the timing of its recoverability cannot be assessed with any certainty. The tax would become recoverable once the relevant member of the company achieves taxable trading profits.

KOLBUS AUTOBOX LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****10 Intangible fixed assets**

	Computer software £
Cost	
At 1 January 2022	29,747
Additions	3,540
At 31 December 2022	33,287
Amortisation and impairment	
At 1 January 2022	25,536
Amortisation charged for the year	2,514
At 31 December 2022	28,050
Carrying amount	
At 31 December 2022	5,237
At 31 December 2021	4,211

Computer software is amortised evenly over its useful life of 5 years. Amortisation is included in administrative expenses in the Statement of Comprehensive Income.

11 Tangible fixed assets

	Freehold land and buildings £	Plant and equipment £	Fixtures and fittings £	Motor vehicles £	Total £
Cost					
At 1 January 2022	1,579,806	366,287	337,731	6,500	2,290,324
Additions	-	-	1,270	-	1,270
At 31 December 2022	1,579,806	366,287	339,001	6,500	2,291,594
Depreciation and impairment					
At 1 January 2022	212,257	357,292	263,705	6,500	839,754
Depreciation charged in the year	31,547	2,999	40,601	-	75,147
At 31 December 2022	243,804	360,291	304,306	6,500	914,901
Carrying amount					
At 31 December 2022	1,336,002	5,996	34,695	-	1,376,693
At 31 December 2021	1,367,549	8,995	74,026	-	1,450,570

KOLBUS AUTOBOX LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****12 Financial instruments**

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

Financial assets that are debt instruments measured at amortised cost comprise trade and other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to related parties, other creditors and accruals.

13 Stocks

	2022 £	2021 £
Raw materials and consumables	940,767	833,174

14 Debtors

	2022 £	2021 £
Amounts falling due within one year:		
Trade debtors	32,719	31,299
Amounts owed by group undertakings	254,281	291,321
Other debtors	64,147	68,546
Prepayments and accrued income	34,342	45,566
	385,489	436,732

15 Creditors: amounts falling due within one year

	2022 £	2021 £
	Notes	
Bank loans and overdrafts	17	1,040,528
Obligations under finance leases	18	365,249
Trade creditors		2,683
Amounts owed to group undertakings		380,386
Corporation tax		310,829
Other taxation and social security		1,373,115
Accruals and deferred income		1,240,122
		2,437
		29,423
		13,500
		2,839,389
		1,964,912

Amounts due under hire purchase contracts are secured on the assets concerned. Bank loans are secured by fixed and floating charges over all the assets of the Company, including freehold premises.

KOLBUS AUTOBOX LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****16 Creditors: amounts falling due after more than one year**

	Notes	2022 £	2021 £
Bank loans and overdrafts	17	-	758,110

Amounts due under hire purchase contracts are secured on the assets concerned. Bank loans are secured by fixed and floating charges over all the assets of the Company, including the freehold premises.

17 Loans and overdrafts

	2022 £	2021 £
Bank loans	788,253	853,261
Bank overdrafts	252,275	270,098
	<u>1,040,528</u>	<u>1,123,359</u>
Payable within one year	1,040,528	365,249
Payable after one year	-	758,110

The long-term loans are secured by fixed charges over the company's property and a floating charge over all the company's assets.

The bank loan was entered into on 31 March 2017 for a principal amount of £1,160,000. The loan is repayable in monthly instalments over the 15 year term of the loan and carries interest at Base rate +4.35%.

18 Finance lease obligations

	2022 £	2021 £
Future minimum lease payments due under finance leases:		
Within one year	-	2,683

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 1 year. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

19 Retirement benefit schemes

	2022 £	2021 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	62,387	61,077

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

KOLBUS AUTOBOX LIMITED**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2022****20 Share capital**

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
2,529 Ordinary shares of £1 each	2,529	2,529	2,529	2,529

21 Operating lease commitments**Lessee**

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

	2022	2021
	£	£
Within one year	11,138	11,138
Between two and five years	10,019	21,157
	<u>21,157</u>	<u>32,295</u>

22 Ultimate controlling party

The immediate parent undertaking of this Company is Kolbus UK Limited, which is incorporated in England and Wales.

The ultimate parent undertaking of this Company is Kolbus GmbH & Co. KG, which is incorporated in Germany.

Kolbus GmbH & Co. KG is the Company's ultimate controlling party by virtue of its shareholding.

The smallest group of undertakings for which group accounts have been drawn up is that headed by Kolbus UK Limited which is incorporated in the UK. The consolidated accounts of Kolbus UK Limited are available at the following address, Kolbus House, Blackburn Road, Houghton Regis, Dunstable, LU5 5BQ.

The largest group of undertakings for which the group accounts have been drawn up is that headed by Kolbus GmbH & Co. KG which is incorporated in Germany. The financial statements are not available.

23 Related party transactions**Transactions with related parties****Other information**

The only transactions in the year have been with the parent company, the ultimate parent, or their subsidiaries both within the UK and internationally. As such the Company has taken advantage of the exemptions available under FRS 102, with respect to the disclosure of related party transactions.