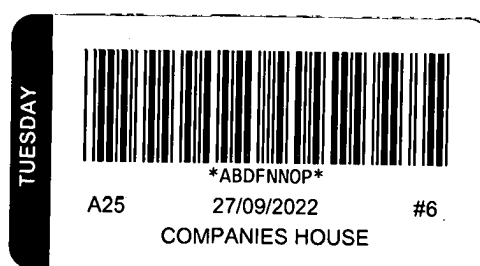


Registered number: 01007314

BUSCH (UK) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021



BUSCH (UK) LIMITED

COMPANY INFORMATION

DIRECTORS	Dr Ing K Busch Frau A Busch A K Busch S S Busch Frau A C Busch T Hulbert
COMPANY SECRETARY	A K Busch
REGISTERED NUMBER	01007314
REGISTERED OFFICE	Hortonwood 30/35 Telford Shropshire TF1 7YB
INDEPENDENT AUDITOR	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

BUSCH (UK) LIMITED

CONTENTS

	Page
Group strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 7
Consolidated statement of comprehensive income	8
Consolidated statement of financial position	9
Company statement of financial position	10
Consolidated statement of changes in equity	11
Company statement of changes in equity	12
Consolidated Statement of cash flows	13 - 14
Consolidated analysis of net debt	15
Notes to the financial statements	16 - 40

BUSCH (UK) LIMITED

GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

Introduction

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

Principal activity

The principal activity of the group during the year was the manufacture and sale of vacuum pumps and compressors.

Business review

We aim to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. Our review is consistent with the size and non-complex nature of the business and is written in the context of the risks and uncertainties we face.

Principal risks and uncertainties

The group's principal activities are the sale of vacuum pumps, low pressure blowers and vacuum systems as well as the provision of installation and commissioning services. We also offer a comprehensive range of after sales products such as preventative and predictive maintenance, repair, service contracts and spare parts.

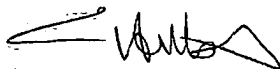
As for many groups of our size, the business environment in which we operate continues to be challenging. With the risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen future events outside of our control. However we will continue to show flexibility and respond to market conditions and opportunities as they arise.

Financial key performance indicators

We consider that our key financial performance indicators are those that communicate the financial performance and strength of the group as a whole, these being turnover and profit margins.

Turnover increased by 20.5% but net income fell to a loss of £372k, both largely as a result of the acquisition of Vacuum Furnace Engineering Ltd in the year

This report was approved by the board and signed on its behalf.



T Hulbert
Director

Date: 23/9/2022

BUSCH (UK) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group 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 for the Group's financial statements 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 Group 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 the Group and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

RESULTS AND DIVIDENDS

The loss for the year, after taxation, amounted to £371,860 (2020 - profit £669,027).

There were no dividends proposed or paid during the year or in the prior year.

DIRECTORS

The Directors who served during the year were:

Dr Ing K Busch
Frau A Busch
A K Busch
S S Busch
Frau A C Busch
T Hulbert

MATTERS COVERED IN THE STRATEGIC REPORT

The business review, principal activities and future developments of the group are not included in the Directors' Report as they are shown in the strategic report as required under s414C of the Companies Act 2006.

BUSCH (UK) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021**

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

GOING CONCERN

The Directors believe there are no material uncertainties that call into doubt the Group's ability to continue as a going concern and the accounts have therefore been prepared on the basis that the Group is a going concern. In light of the current climate in relation to the COVID-19 pandemic the Directors have reviewed the Group's finances. In the short term cash holdings are sufficient to ensure adequate cashflow for the foreseeable future. In the medium to long term plans for, and the structure of, Busch (UK) Limited remain extant and will continue to be reviewed regularly.

AUDITOR

The auditor, Crowe U.K. LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



T Hulbert
Director

Date: 23/9/22

BUSCH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSCH (UK) LIMITED

OPINION

We have audited the financial statements of Busch (UK) 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 and Company Statements of financial position, the Group Statement of cash flows, the Group and Company Statement of changes in equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 or the 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.

BUSCH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSCH (UK) LIMITED (CONTINUED)

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.

OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

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

- the information given in the Group 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 Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

MATTERS ON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group 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 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 set out on page 2, 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 Group's and 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

BUSCH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSCH (UK) LIMITED (CONTINUED)

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 Group 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 identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the company and the group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing income recognition, sample testing on the posting of journals and reviewing accounting estimates for biases.

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 for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.

BUSCH (UK) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BUSCH (UK) LIMITED (CONTINUED)

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.

Crowe UK LLP

Mark Evans (Senior statutory auditor)

for and on behalf of
Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 27 September 2022

BUSCH (UK) LIMITED

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	21,841,226	18,116,842
Cost of sales		(15,867,597)	(11,813,658)
Gross profit		5,973,629	6,303,184
Administrative expenses		(7,189,680)	(5,790,037)
Exceptional administrative expenses	5	(174,879)	-
Other operating income	6	445,894	310,245
Operating (loss)/profit	7	(945,036)	823,392
Interest receivable and similar income		2,480	-
Interest payable and similar expenses		(99,071)	-
Other finance income	11	(70,000)	(67,000)
(Loss)/profit before taxation		(1,111,627)	756,392
Tax on (loss)/profit	12	739,767	(87,365)
(Loss)/profit for the financial year		(371,860)	669,027
Currency translation differences		(172,809)	129,957
Actuarial gain/(loss) on defined benefit pension scheme		1,048,000	(2,222,000)
Deferred tax movement on pension scheme		(199,120)	422,180
Other comprehensive Income for the year		676,071	(1,669,863)
Total comprehensive income for the year		304,211	(1,000,836)
(Loss)/profit for the year attributable to:			
Owners of the parent Company		(371,860)	669,027

The notes on pages 16 to 40 form part of these financial statements.

BUSCH (UK) LIMITED
REGISTERED NUMBER: 01007314

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	13	6,642,568	-
Tangible assets	14	4,776,465	4,445,490
		<u>11,419,033</u>	<u>4,445,490</u>
Current assets			
Stocks	16	5,613,863	2,912,770
Debtors: amounts falling due within one year	17	11,404,718	3,916,367
Cash at bank and in hand		3,772,057	6,329,364
		<u>20,790,638</u>	<u>13,158,501</u>
Creditors: amounts falling due within one year	18	(18,181,561)	(2,578,092)
Net current assets		<u>2,609,077</u>	<u>10,580,409</u>
Total assets less current liabilities		<u>14,028,110</u>	<u>15,025,899</u>
Provisions for liabilities			
Pension liability	23	(4,207,000)	(5,509,000)
Net assets		<u><u>9,821,110</u></u>	<u><u>9,516,899</u></u>
Capital and reserves			
Called up share capital	20	100,000	100,000
Other reserves	21	345	345
Profit and loss account	21	9,720,765	9,416,554
		<u><u>9,821,110</u></u>	<u><u>9,516,899</u></u>

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


T Hulbert
 Director

Date: 23/9/22

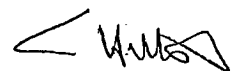
The notes on pages 16 to 40 form part of these financial statements.

BUSCH (UK) LIMITED
REGISTERED NUMBER: 01007314

COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	14	3,674,873	3,588,048
Investments	15	6,887,859	600,384
		<u>9,562,732</u>	<u>4,188,432</u>
Current assets			
Stocks	16	2,656,705	2,394,507
Debtors: amounts falling due within one year	17	12,677,368	3,559,455
Cash at bank and in hand		2,322,589	5,194,231
		<u>17,656,662</u>	<u>11,148,193</u>
Creditors: amounts falling due within one year	18	(13,839,663)	(2,228,830)
Net current assets		<u>3,817,099</u>	<u>8,919,363</u>
Total assets less current liabilities		<u>13,379,831</u>	<u>13,107,795</u>
Provisions for liabilities			
Pension liability		(4,207,000)	(5,509,000)
Net assets		<u>9,172,831</u>	<u>7,598,795</u>
Capital and reserves			
Called up share capital	20	100,000	100,000
Profit and loss account	21	9,072,831	7,498,795
		<u>9,172,831</u>	<u>7,598,795</u>

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



T. Hulbert
Director

The notes on pages 16 to 40 form part of these financial statements.

BUSCH (UK) LIMITED

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 January 2020	100,000	345	10,417,390	10,517,735
Profit for the year	-	-	669,027	669,027
Currency translation differences	-	-	129,957	129,957
Actuarial loss on pension scheme	-	-	(2,222,000)	(2,222,000)
Deferred tax movement on pension scheme	-	-	422,180	422,180
At 1 January 2021	100,000	345	9,416,554	9,516,899
Loss for the year	-	-	(371,860)	(371,860)
Currency translation differences	-	-	(172,809)	(172,809)
Actuarial gain on pension scheme	-	-	1,048,000	1,048,000
Deferred tax movement on pension scheme	-	-	(199,120)	(199,120)
At 31 December 2021	100,000	345	9,720,765	9,821,110

The notes on pages 16 to 40 form part of these financial statements.

BUSCH (UK) LIMITED

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

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2020	100,000	8,830,436	8,930,436
Profit for the year	-	468,179	468,179
Actuarial loss on pension scheme	-	(2,222,000)	(2,222,000)
Deferred tax movement on pension scheme	-	422,180	422,180
At 1 January 2021	100,000	7,498,795	7,598,795
Profit for the year	-	725,156	725,156
Actuarial gain on pension scheme	-	1,048,000	1,048,000
Deferred tax movement on pension scheme	-	(199,120)	(199,120)
At 31 December 2021	100,000	9,072,831	9,172,831

The notes on pages 16 to 40 form part of these financial statements.

BUSCH (UK) LIMITED

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

	2021 £	2020 £
Cash flows from operating activities		
(Loss)/profit for the financial year	(371,860)	669,027
Adjustments for:		
Amortisation of intangible assets	642,687	-
Depreciation of tangible assets	507,332	379,643
Loss on disposal of tangible assets	(2,450)	1,267
Government grants	(231,704)	-
Interest paid	99,071	-
Interest received	(2,480)	-
Taxation charge	(739,767)	87,365
(Increase)/decrease in stocks	(2,798,873)	400,766
(Increase)/decrease in debtors	(6,092,319)	1,765,815
(Increase) in amounts owed by groups	(338,854)	(68,722)
Increase/(decrease) in creditors	3,867,345	(576,369)
Increase/(decrease) in amounts owed to groups	11,513,116	(335,847)
(Decrease) in net pension assets/liabs	(1,302,000)	(171,000)
Corporation tax (paid)	(92,104)	(132,459)
Loss on retranslation of foreign subsidiary balances	(250,013)	84,364
Net cash generated from operating activities	4,407,127	2,103,850
Cash flows from investing activities		
Purchase of intangible fixed assets	(6,601,804)	-
Purchase of tangible fixed assets	(730,970)	(230,083)
Sale of tangible fixed assets	4,948	3,681
Government grants received	231,704	-
Interest received	2,480	-
Net cash from investing activities	(7,093,642)	(226,402)
Cash flows from financing activities		
Interest paid	(99,071)	-
Net cash used in financing activities	(99,071)	-
Net (decrease)/increase in cash and cash equivalents	(2,785,586)	1,877,448
Cash and cash equivalents at beginning of year	6,329,364	4,451,916
Cash and cash equivalents at the end of year	3,543,778	6,329,364

BUSCH (UK) LIMITED

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	£	£
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	3,772,057	6,329,364
Bank overdrafts	(228,279)	-
	3,543,778	6,329,364

The notes on pages 16 to 40 form part of these financial statements.

BUSCH (UK) LIMITED

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	At 1 January 2021 £	Cash flows £	Acquisition of subsidiary £	At 31 December 2021 £
Cash at bank and in hand	6,329,364	2,632,387	(5,189,694)	3,772,057
Bank overdrafts	-	(228,279)	-	(228,279)
Debt due within 1 year	(2,928)	(21,327)	-	(24,255)
	<u>6,326,436</u>	<u>2,382,781</u>	<u>(5,189,694)</u>	<u>3,519,523</u>

The notes on pages 16 to 40 form part of these financial statements.

BUSCH (UK) LIMITED

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

1. General Information

Busch (UK) Limited is a private company limited by shares (registered number 01007314), which is incorporated and domiciled in England and Wales.

The address of the registered office is Hortonwood 30/35, Telford, Shropshire, TF1 7YB.

The principal activity of the group during the year was the manufacture and sale of vacuum pumps and compressors.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £'000, except where otherwise indicated.

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

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of comprehensive income in these financial statements.

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Statement of financial position, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 01 January 2019.

BUSCH (UK) LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

As stated in the Director's Report, the Directors believe there are no material uncertainties that call into doubt the Group's ability to continue as a going concern and the accounts have therefore been prepared on the basis that the Group is a going concern. In light of the current climate in relation to the COVID-19 pandemic the Directors have reviewed the Group's finances. In the short term cash holdings are sufficient to ensure adequate cashflow for the foreseeable future. In the medium to long term plans for, and the structure of, Busch (UK) Limited remain extant and will continue to be reviewed regularly.

2.4 Revenue

Revenue 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

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

- the Group has transferred the 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 the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

- the amount of revenue can be measured reliably;
- it is probable that the 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.

BUSCH (UK) LIMITED

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

2. Accounting policies (continued)

2.5 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of comprehensive income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

BUSCH (UK) LIMITED

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

2. Accounting policies (continued)

2.6 Tangible fixed assets

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

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

Depreciation is provided on the following basis:

Freehold property	-	2% straight line
Long-term leasehold property	-	20% straight line
Fixtures, fittings, plant & machinery	-	10% - 20% straight line
Motor vehicles	-	20% - 25% straight line
Computer equipment	-	25% straight line

Other fixed assets relate to assets under the course of construction which are not depreciated.

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within 'administrative expenses' in the Consolidated Statement of Comprehensive Income.

2.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

BUSCH (UK) LIMITED

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

2. Accounting policies (continued)

2.9 Financial instruments

Debtors

Short term debtors are measured at transaction price, less any impairment.

Creditors

Short term creditors are measured at the transaction price.

Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

2.10 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

2.11 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

BUSCH (UK) LIMITED

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

2. Accounting policies (continued)

2.12 Finance costs

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

2.13 Pensions

Defined benefit pension plan

The Group operates a defined benefit plan for certain employees. A defined benefit plan defines the pension benefit that the employee will receive on retirement, usually dependent upon several factors including but not limited to age, length of service and remuneration. A defined benefit plan is a pension plan that is not a defined contribution plan.

The liability recognised in the Statement of Financial Position in respect of the defined benefit plan is the present value of the defined benefit obligation at the end of the reporting date less the fair value of plan assets at the reporting date (if any) out of which the obligations are to be settled.

The defined benefit obligation is calculated using the projected unit credit method. Annually the company engages independent actuaries to calculate the obligation. The present value is determined by discounting the estimated future payments using market yields on high quality corporate bonds that are denominated in sterling and that have terms approximating to the estimated period of the future payments ('discount rate').

The fair value of plan assets is measured in accordance with the FRS 102 fair value hierarchy and in accordance with the Group's policy for similarly held assets. This includes the use of appropriate valuation techniques.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to other comprehensive income. These amounts together with the return on plan assets, less amounts included in net interest, are disclosed as 'Remeasurement of net defined benefit liability'.

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

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

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

Defined contribution pension plan

The Group also operates a defined contribution pension scheme and the pension charge represents the amount payable by the company to the fund in respect of the year. The assets of the scheme are held separately from those of the company in an independently administered fund.

2.14 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

BUSCH (UK) LIMITED

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

2. Accounting policies (continued)

2.15 Business combinations

Business combinations are accounted for under the purchase method. Where necessary, adjustments are made in the financial statements to the fair value of assets acquired.

2.16 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Group but are presented separately due to their size or incidence.

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

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

Stock provisioning - Provisions are recognised for slow moving, obsolete or unsaleable stock and reviewed annually. They are calculated on a percentage basis depending on the length of time the stock item has been held. This is determined by the group.

Defined benefit pension liability - The present value of the defined benefit pension scheme liability depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the net cost (income) for pensions include the discount rate. Any changes in these assumptions, which are disclosed in note 22, will impact the carrying amount of the pension liability.

4. Turnover

Turnover is divided between - goods £15,205,318 (2020: £14,250,711) and services £6,635,908 (2020: £3,866,131).

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	17,806,831	14,892,649
Rest of Europe	3,705,806	2,936,104
Rest of the world	328,589	288,089
	<u>21,841,226</u>	<u>18,116,842</u>

BUSCH (UK) LIMITED

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

5. Exceptional items

	2021	2020
	£	£
Exceptional admin costs	174,879	-
	174,879	-

Exceptional costs incurred in 2021 relate to the costs incurred in relation to the purchase of Vacuum Furnace Engineering Limited in August 2021.

6. Other operating income

	2021	2020
	£	£
Other operating income	25,704	25,338
Net rents receivable	181,500	173,000
Management charges receivable	6,986	6,986
Government grants receivable	231,704	104,921
	445,894	310,245

The company has been eligible to claim additional funding in the year to 31 December 2021 from the furlough support scheme provided by the government in response to the coronavirus outbreak (CJRS) whereby the company furloughed staff. The funding received of £231,704 (2020: £104,921) relates to staff costs included in note 9.

7. Operating (loss)/profit

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

	2021	2020
	£	£
Depreciation of tangible fixed assets	507,332	379,643
Amortisation of intangible fixed assets	642,687	-
Exchange differences	(18,055)	59,605
Other operating lease rentals	195,773	14,695

BUSCH (UK) LIMITED

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

8. Auditor's remuneration

	2021 £	2020 £
Fees payable to the Group's auditor and its associates for the audit of the Group's annual accounts	43,650	25,250
Fees payable to the Group's auditor and its associates in respect of:		
The auditing of accounts of associates of the company pursuant to legislation	11,250	10,653
Fees payable in respect of the pension scheme	6,500	6,380
Taxation compliance services	6,500	1,600
All other services	11,300	-

9. Employees

Staff costs, including Directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Wages and salaries	5,407,903	3,962,002	3,168,015	3,393,358
Social security costs	584,334	417,324	356,495	357,963
Cost of defined contribution scheme	288,819	257,391	192,420	233,439
	6,281,056	4,636,717	3,716,930	3,984,760

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

	2021 No.	2020 No.
Directors and senior management	7	8
Sales and administration staff	55	42
Technical staff	10	15
Production personnel	87	34
	159	99

BUSCH (UK) LIMITED

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

10. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	169,800	179,240
Group contributions to defined contribution pension schemes	8,100	8,100
	<u>177,900</u>	<u>187,340</u>

During the year retirement benefits were accruing to 1 Director (2020 - 1) in respect of defined contribution pension schemes.

11. Other finance costs

	2021 £	2020 £
Net interest on net defined benefit liability	<u>70,000</u>	<u>67,000</u>

12. Taxation

	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	37,921	99,020
	<u>37,921</u>	<u>99,020</u>
Foreign tax		
Foreign tax in respect of prior periods	-	31,135
	-	<u>31,135</u>
Total current tax	<u>37,921</u>	<u>130,155</u>
Deferred tax		
Origination and reversal of timing differences	(777,688)	(42,790)
Total deferred tax	<u>(777,688)</u>	<u>(42,790)</u>
Taxation on (loss)/profit on ordinary activities	<u>(739,767)</u>	<u>87,365</u>

BUSCH (UK) LIMITED

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

12. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2020 - lower than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021 £	2020 £
(Loss)/profit on ordinary activities before tax	<u>(1,111,627)</u>	<u>756,392</u>
(Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%).	(211,209)	143,714
Effects of:		
Expenses not deductible for tax purposes	4,137	-
Adjustments to tax charge in respect of Irish tax	(37,921)	(12,941)
Fixed asset differences	38,207	14,441
Amounts charged directly to equity	199,120	(422,180)
Amounts credited directly to other comprehensive income	(199,120)	422,180
Remeasurement of deferred tax	(532,981)	(57,849)
Total tax charge for the year	<u>(739,767)</u>	<u>87,365</u>

Factors that may affect future tax charges

In the Budget on 3 March 2021, the Government announced its intention to increase the main rate of UK corporation tax from 19% to 25% with effect from 1 April 2023. Existing temporary differences on which deferred tax has been provided may therefore unwind in future periods at this increased rate. Since the 25% tax rate change was substantively enacted at the 30 June 2022 balance sheet date, deferred tax balances have been calculated to reflect the expected timing of reversal of the related temporary difference.

BUSCH (UK) LIMITED

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

13. Intangible assets

Group

	Goodwill £	Intellectual Property £	Brand value £	Computer software £	Total £
Cost					
Additions	6,391,579	-	-	33,500	6,425,079
On acquisition of subsidiaries	398,700	250,000	356,681	640,728	1,646,109
At 31 December 2021	6,790,279	250,000	356,681	674,228	8,071,188
Amortisation					
Charge for the year	305,606	118,750	132,090	86,241	642,687
On acquisition of subsidiaries	173,570	-	224,591	387,772	785,933
At 31 December 2021	479,176	118,750	356,681	474,013	1,428,620
Net book value					
At 31 December 2021	6,311,103	131,250	-	200,215	6,642,568
At 31 December 2020	-	-	-	-	-

BUSCH (UK) LIMITED

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

14. Tangible fixed assets

Group

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures, fittings, plant & equipment £	Assets under construction £	Total £
Cost or valuation						
At 1 January 2021	5,066,787	51,213	774,540	2,264,991	26,021	8,183,552
Additions	71,475	-	161,817	401,574	96,104	730,970
On acquisition of subsidiaries	275,466	-	31,887	925,521	-	1,232,874
Disposals	-	(41)	(177,313)	(74,115)	-	(251,469)
Exchange adjustments	(67,032)	-	(12,122)	(107,192)	-	(186,346)
At 31 December 2021	5,346,696	51,172	778,809	3,410,779	122,125	9,709,581
Depreciation						
At 1 January 2021	1,443,193	50,031	562,718	1,682,120	-	3,738,062
Charge for the year	142,541	1,063	115,314	248,414	-	507,332
Disposals	-	-	(129,686)	-	-	(129,686)
On acquisition of subsidiaries	97,075	-	30,029	650,828	-	777,932
Exchange adjustments	(22,337)	-	78,516	(16,703)	-	39,476
At 31 December 2021	1,680,472	51,094	656,891	2,564,659	-	4,933,116

BUSCH (UK) LIMITED

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

14. Tangible fixed assets (continued)**Net book value**

At 31 December 2021	<u>3,686,224</u>	<u>78</u>	<u>121,918</u>	<u>846,120</u>	<u>122,125</u>	<u>4,776,465</u>
At 31 December 2020	<u>3,623,594</u>	<u>1,182</u>	<u>211,822</u>	<u>582,871</u>	<u>26,021</u>	<u>4,445,490</u>

Freehold land

Group Freehold Property includes freehold land which cost £222,980 (2020: £222,980) which is not depreciated.

BUSCH (UK) LIMITED

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

14. Tangible fixed assets (continued)

Company

	Freehold property £	Long-term leasehold property £	Motor vehicles £	Fixtures, fittings, plant & machinery £	Other fixed assets £	Total £
Cost						
At 1 January 2021	4,055,191	51,213	662,398	1,902,091	26,021	6,696,914
Additions	71,475	-	26,493	173,266	89,006	360,240
Disposals	-	(41)	(22,794)	-	-	(22,835)
At 31 December 2021	4,126,666	51,172	666,097	2,075,357	115,027	7,034,319
Depreciation						
At 1 January 2021	1,112,795	50,031	502,411	1,443,629	-	3,108,866
Charge for the year on owned assets	78,612	1,063	92,022	101,677	-	273,374
Disposals	-	-	(22,794)	-	-	(22,794)
At 31 December 2021	1,191,407	51,094	571,639	1,545,306	-	3,359,446
Net book value						
At 31 December 2021	2,935,259	78	94,458	530,051	115,027	3,674,873

BUSCH (UK) LIMITED

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

14. Tangible fixed assets (continued)

<i>At 31 December 2020</i>	<u>2,942,396</u>	<u>1,182</u>	<u>159,987</u>	<u>458,462</u>	<u>26,021</u>	<u>3,588,048</u>
----------------------------	------------------	--------------	----------------	----------------	---------------	------------------

Freehold land

Company Freehold Property includes freehold land which cost £222,980 (2019: £222,980) which is not depreciated.

BUSCH (UK) LIMITED

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

15. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2021	600,384
Additions	5,287,475
At 31 December 2021	<u>5,887,859</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Registered office	Holding
Busch Ireland Limited	A10-11 Howth Junction Business Centre, Kilbarrack, Dublin 5, Ireland	100%
Vacuum Furnace Engineering Limited	Unit 8 Hayes Trading Estate, Hingley Road, Halesowen, West Midlands, B63 2RR	100%

BUSCH (UK) LIMITED

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

16. Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Raw materials and consumables	2,234,117	1,085,795	1,229,103	1,085,795
Work in progress (goods to be sold)	1,433,975	109,232	134,301	103,963
Finished goods and goods for resale	1,945,771	1,717,743	1,293,301	1,204,749
	5,613,863	2,912,770	2,656,705	2,394,507

The carrying value of stocks are stated net of impairment losses totalling £758,943 (2020 - £565,601). Impairment losses totalling £193,342 (2020 - £nil) were recognised in profit and loss.

17. Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	5,885,809	2,467,457	2,973,762	2,114,391
Amounts owed by group undertakings	537,871	199,017	8,242,917	207,224
Other debtors	491,458	132,340	475,009	127,179
Prepayments and accrued income	2,475,715	160,866	98,844	153,974
Deferred taxation	2,013,865	956,687	886,836	956,687
	11,404,718	3,916,367	12,677,368	3,559,455

18. Creditors: Amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Bank overdrafts	228,279	-	-	-
Trade creditors	1,561,051	443,960	422,472	366,710
Amounts owed to group undertakings	12,417,085	903,969	12,612,447	751,431
Corporation tax	7,521	12,792	-	-
Other taxation and social security	1,301,466	773,458	567,851	742,235
Other creditors	245,923	9,912	13,071	7,980
Accruals and deferred income	2,420,236	434,001	223,722	360,474
	18,181,561	2,578,092	13,839,563	2,228,830

BUSCH (UK) LIMITED

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

19. Deferred taxation

Group

	2021 £
At beginning of year	956,687
Charged to profit or loss	578,568
Arising on business combinations	478,610
At end of year	2,013,865

Company

	2021 £
At beginning of year	956,687
Charged to profit or loss	(69,851)
At end of year	886,836

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Accelerated capital allowances	591,507	(91,543)	(167,664)	(91,543)
Short term timing differences	1,054,500	1,048,230	1,054,500	1,048,230
Losses and other deductions	367,858	-	-	-
	2,013,865	956,687	886,836	956,687

20. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100,000 (2020 - 100,000) Ordinary shares of £1.00 each	100,000	100,000

BUSCH (UK) LIMITED

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

21. Reserves**Other reserves**

This reserve arose as a result of the nominal value of Busch Ireland Limited's shares being reduced from €1.27 to €1.25. The difference that arose was transferred to other reserves.

Profit and loss account

This reserve includes all current and prior periods retained profits and losses.

22. Business combinations

On 4 August 2021, Busch (UK) Limited acquired the share capital of Vacuum Furnace Engineering Limited for total consideration of £5,287,475.

Acquisition of Vacuum Furnace Engineering Limited**Recognised amounts of identifiable assets acquired and liabilities assumed**

	Book value £	Fair value adjustments £	Fair value £
Fixed Assets			
Tangible	365,345	-	365,345
Intangible	614,206	-	614,206
	<u>979,551</u>	<u>-</u>	<u>979,551</u>
Current Assets			
Stocks	2,675,772	-	2,675,772
Debtors	2,294,317	-	2,294,317
Cash at bank and in hand	472,349	-	472,349
	<u>6,421,989</u>	<u>-</u>	<u>6,421,989</u>
Total Assets	6,421,989	-	6,421,989
Creditors			
Due within one year	(7,526,096)	-	(7,526,096)
	<u>(1,104,107)</u>	<u>-</u>	<u>(1,104,107)</u>
Total identifiable net liabilities	(1,104,107)	-	(1,104,107)
Goodwill			6,391,582
Total purchase consideration			5,287,475

BUSCH (UK) LIMITED

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

22. Business combinations (continued)

Consideration

	£
Cash	4,787,475
Deferred consideration	500,000
Total purchase consideration	5,287,475

BUSCH (UK) LIMITED

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

23. Pension commitments**Defined contribution pension scheme:**

The group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the group in an independently administered fund. The pension cost charge represents contributions payable by the group to the fund and amounted to £352,130 (2020: £257,391).

There were no outstanding or prepaid contributions at either the beginning or end of the financial year.

Defined benefit pension scheme:

The Group operates a Defined benefit pension scheme.

The contributions are determined by a qualified actuary via the basis of triennial valuations using the Projected Unit Credit method. The most recent valuation was at 1 July 2019. The company is paying monthly contributions of £29,000 as recommended by the actuary to extinguish the deficit. An additional £48,000 was paid during the year in relation to a back-dated payment and insured death benefits.

On 12 February 2006 the final salary pension scheme was closed with no future benefits accruing to members under the scheme for service from this date. No other post-retirement benefits are provided. The scheme is a funded scheme.

Reconciliation of present value of plan liabilities:

	2021 £	2020 £
At the beginning of the year	9,926,000	7,730,000
Interest cost	129,000	154,000
Actuarial gains/losses	(871,000)	2,130,000
Benefits paid	(77,000)	(88,000)
At the end of the year	9,107,000	9,926,000

Reconciliation of present value of plan assets:

	2021 £	2020 £
At the beginning of the year	4,417,000	4,272,000
Interest income	59,000	87,000
Return on scheme assets	177,000	(92,000)
Contributions	396,000	304,000
Benefits paid	(77,000)	(88,000)
Administration costs	(72,000)	(66,000)
At the end of the year	4,900,000	4,417,000

BUSCH (UK) LIMITED

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

23. Pension commitments (continued)

Composition of plan assets:

	2021 £	2020 £
Unitised With-Profits policy	4,824,000	4,419,000
Net current assets held with trustee's bank account	76,000	(2,000)
Total plan assets	4,900,000	4,417,000

	2021 £	2020 £
Fair value of plan assets	4,900,000	4,417,000
Present value of plan liabilities	(9,107,000)	(9,926,000)
Net pension scheme liability	(4,207,000)	(5,509,000)

The amounts recognised in profit or loss are as follows:

	2021 £	2020 £
Interest cost	70,000	67,000
Administration costs	72,000	66,000
Total	142,000	133,000

The amounts taken to other comprehensive income are as follows:

	2021 £	2020 £
Actuarial gains and (losses)	871,000	(2,130,000)
Return on scheme assets	177,000	(92,000)
	1,048,000	(2,222,000)

BUSCH (UK) LIMITED

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

23. Pension commitments (continued)

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

	2021 %	2020 %
Discount rate	1.80	1.30
Future pension increases	3.65	3.45
Mortality rates		
- for a male aged 65 now	21.9	21.9
- at 65 for a male aged 45 now	23.2	23.2
- for a female aged 65 now	24.3	24.2
- at 65 for a female member aged 45 now	25.7	25.6

24. Commitments under operating leases

At 31 December 2021 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Not later than 1 year	293,456	21,590	18,260	21,590
Later than 1 year and not later than 5 years	509,451	27,602	13,822	27,602
	<u>802,907</u>	<u>49,192</u>	<u>32,082</u>	<u>49,192</u>

BUSCH (UK) LIMITED

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

25. Related party transactions

Members of Key management are considered to only be the directors. Key management personnel remuneration is detailed in note 10.

Busch (UK) Limited has taken advantage of the exemption under FRS 102 section 33 not to disclose related party transactions and balances between subsidiaries and the parent company.

The following balances owed to the directors were outstanding at the year end:

	2021 £	2020 £
Dr K Busch	2,494	2,494
F A Busch	434	434
	<u>2,928</u>	<u>2,928</u>

The maximum balances outstanding during the year were: Dr K Busch: £2,494, F A Busch: £434.

26. Ultimate controlling party

The ultimate parent company is Busch SE, a company incorporated in Germany.

Busch SE prepares group financial statements and copies can be obtained at Schauinslandstrasse 1, D79689 Maulburg, Germany.

The company is controlled by the Shareholders of Busch SE.