LANGLEY

2021

Langley Holdings plc

Annual Report & Accounts 2021

langleyholdings.com

LANGLEY

IFRS ANNUAL REPORT & ACCOUNTS 2021

Gladiator, the group sponsored TP 52 racing yacht, competed at Cowes Week 2021, in August, marking the beginning of a return to pre-pandemic normality.

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Contents

Group Profile

IFRS Annual Report and Accounts 2021

Langley Group

Founded: 1975

Langley Holdings plc is a diverse, globally operating engineering group headquartered in the United Kingdom.

The group's principal subsidiaries are based in Germany, France, Italy, Norway and the United Kingdom, with a substantial presence in the United States and more than 90 sales and service companies worldwide.

Established in 1975 by the current Chairman and CEO, Anthony Langley, the group is financially independent and remains in family ownership.

The group employs around 5,400 people worldwide.

3
Principal Divisions

90+
Subsidiaries

€1.3bn
Revenues (f.2022)

18
Manufacturing Sites

c.5,400
Employees

100%
Family Owned

Power Solutions

1
€600m
Revenues (f.2022)
2,283
Employees

Print Technologies

2
€400m
Revenues (f.2022)
1,726
Employees

Other Industrials

3
€300m
Revenues (f.2022)
1,330
Employees

Power Solutions Division

€600m
Revenues (f.2022)

2,283
Employees

The Power Solutions Division comprises Bergen Engines, Piller Power Systems and Marelli Motori groups, based in Norway, Germany and Italy respectively.

The individual groups serve a wide spectrum of customers and markets, together they are focused on the rapidly emerging microgrid sector at the heart of Langley's sustainability goals.

- Bergen Engines
- Piller
- Marelli Motors

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Bergen Engines

Founded: 1855

Bergen Engines produces liquid and gas fuelled medium-speed engines for marine and land-based power generation and marine propulsion applications.

The company can trace its Norwegian roots back to 1855. For over 75 years, Bergen Engines have designed and manufactured engines that have become synonymous with efficiency, reliability and innovation.

A Rolls-Royce company since 1999, Bergen Engines was acquired by Langley on 31st December, 2021.

bergenengines.com

BERGEN ENGINES

ON LAND. AT SEA.

Piller

Founded: 1909

Piller Power Systems is Europe's leading producer of uninterruptible power supply (UPS) systems for mission-critical power applications such as data centres (shown). Piller also manufactures ground power systems for civil and military airports and on-board electrical systems for naval vessels.

Acquired by Langley in 2004, Piller is headquartered at Osterode am Harz, near Hanover, in Germany.

In 2016 Piller acquired Active Power, the Austin Texas-based flywheel UPS specialist.

piller.com

PILLER
Power Systems

Nothing protects quite like Piller

Active Power

Founded: 1996

Active Power design and produce battery-free flywheel uninterruptible power supply (UPS) systems for healthcare, retail, industrial and manufacturing facilities worldwide.

The company is headquartered in Austin Texas with extensive manufacturing facilities.

Active Power protects operations in more than 50 countries with flywheel-based UPS systems.

US customers are served via Austin TX and internationally via the Piller global network of subsidiaries and service centres.

activepower.com

ACTIVE POWER®
DRIVEN BY MOTION

Marelli Motori

Founded: 1891

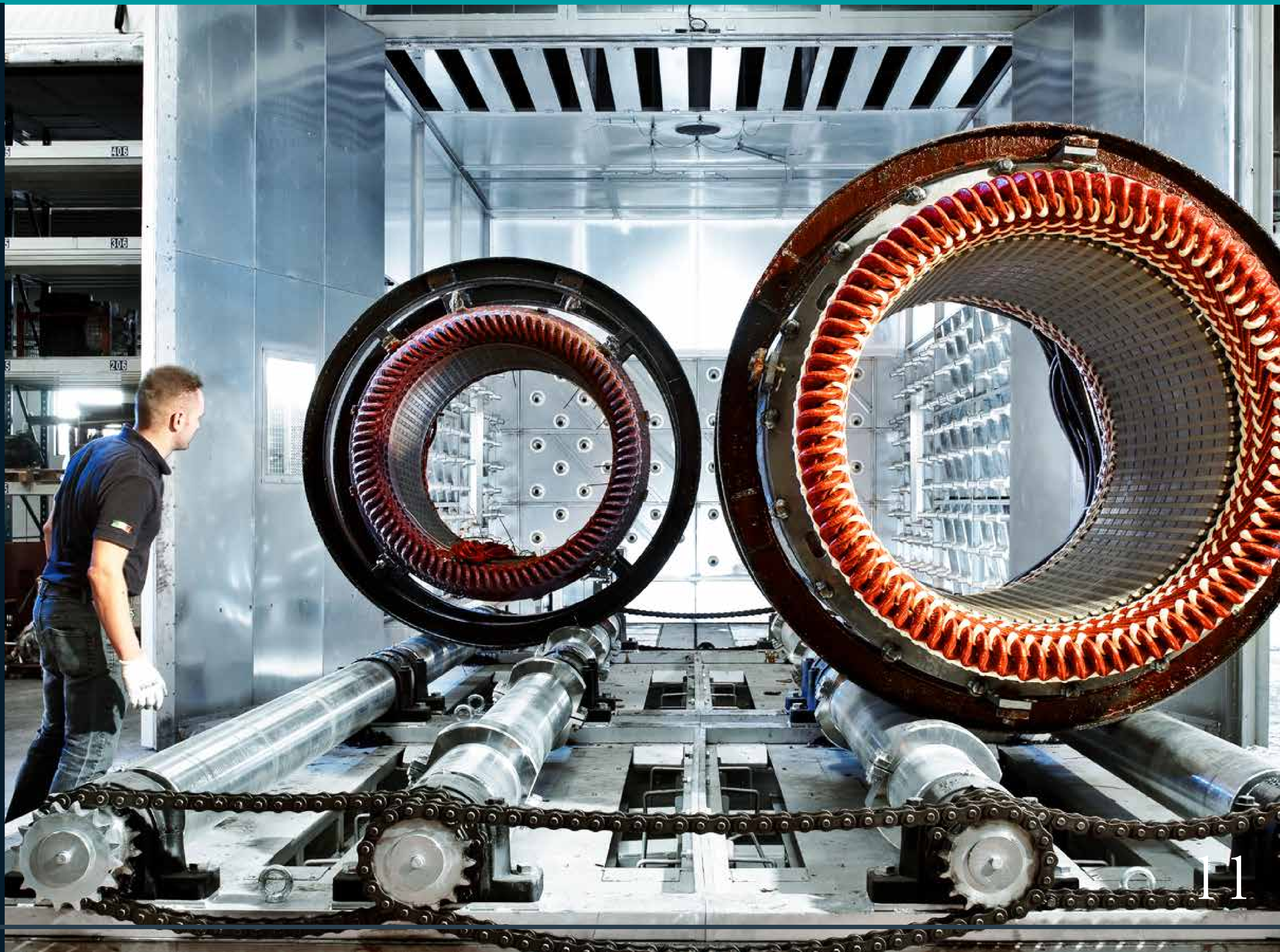
Marelli Motori is a leading manufacturer of electric motors and generators. Based in northern Italy, the company enjoys worldwide recognition in the marine, oil & gas, power generation, co-generation, hydro and other industrial sectors.

The company is headquartered in Arzignano, near Verona, and has extensive manufacturing facilities in Italy with subsidiaries in Germany, Malaysia, South Africa, USA and the United Kingdom.

The Marelli Motori group was acquired by Langley in 2019.

marellimotori.com

MarelliMotori
Powering the future®

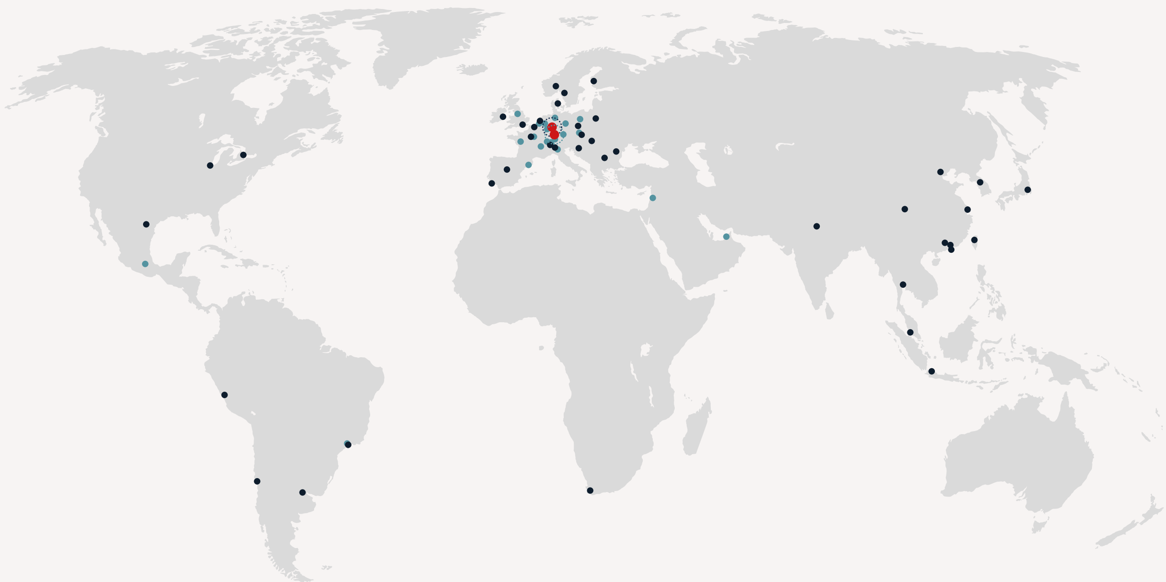


Print Technologies Division

The Print Technologies Division comprises Manroland Sheetfed, the iconic German press builder and Druck Chemie Group, together with BluePrint and HiTech, the specialist print chemicals producers and distributors, based in Germany and Belgium respectively.

€400m
Revenues (f.2022)

1,726
Employees



- **Manroland Sheetfed**
- **Druck Chemie**

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Manroland Sheetfed

Founded: 1871

Manroland Sheetfed is a leading German manfacturer of sheetfed offset litho printing presses. Offering the very latest in print technology, Manroland is a watchword for quality and reliability to printers around the world.

The Manroland Sheetfed group was acquired by Langley in 2012. The company is headquartered and produces all of its iconic presses in Offenbach am Main, near Frankfurt, in Germany.

manrolandsheetfed.com

manroland sheetfed

WE ARE PRINT.®

Druck Chemie

Founded: 1971

Druck Chemie is the leading German producer of chemicals, consumables and services to the printing and graphics industry.

Founded in 1971, the group today has own subsidiaries across Europe and in Brazil.

Acquired by Langley in 2014, Druck Chemie acquired Belgian print chemicals and consumables manufacturers, BluePrint Products and HiTech Chemicals, in December 2020.

druckchemie.com

DRUCK CHEMIE
PRINT LIQUIDS TECHNOLOGY

blueprint products

HITECH CHEMICALS

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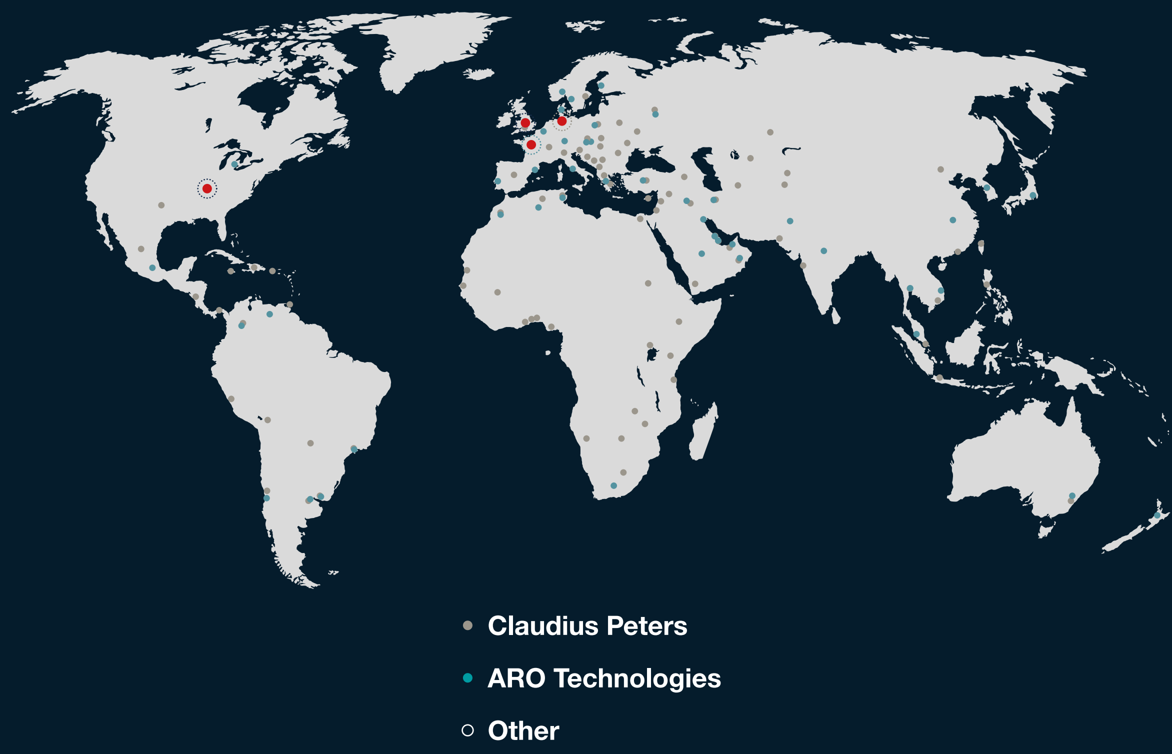
Other Industrials

€300m
Revenues (f.2022)

1,330
Employees

The Other Industrials Division comprises a number of diverse industrial businesses based in Germany, France and the UK.



Claudius Peters

Founded: 1906

For more than a century Claudius Peters has been producing innovative materials handling and processing systems for the global cement, gypsum, alumina and steel industries.

The company's aerospace division manufactures aircraft stringers, several kilometres of which can be found in every commercial aircraft ever built.

Claudius Peters is headquartered near Hamburg, Germany and was acquired by Langley in 2001.

claudiuspeters.com

CLAUDIUS PETERS

We know how

ARO

Founded: 1949

ARO Welding Technologies SAS is widely regarded as the world's leading producer of resistance welding equipment to the automotive industry.

The company was acquired by Langley Holdings in 2006 and is headquartered in Château-du-Loir near Tours, in the Loire region of France. The company also produces in Detroit in the United States and in Wuhan, China.

Reduced model development times, complex structures and the use of aluminium in car production to reduce weight have all led to strong demand for ARO's products.

arotechnologies.com

ARO

WELDING TECHNOLOGIES

Bradman Lake Group

Bradman Lake group provides innovative packaging solutions to its client base, helping them excel in today's competitive and demanding market.

They are a leading designer and manufacturer of packing machinery and turnkey systems to the bakery & biscuit, chocolate & confectionery, dry foods, chilled and frozen foods, consumer, pharmaceutical and healthcare sectors.

Bradman Lake was acquired by Langley in 2007

bradmanlake.com

Bradman Lake Group

Integrated Packaging Technology

Reader Cement Products

Reader Cement Products is the UK's leading independent manufacturer of dry blended packed cement products.

Founded by Langley in 1985, the company formulates, manufactures and packages cement based products for the DIY, construction and civil engineering sectors. The company's headquarters and principal manufacturing facility are located in the East Midlands region of the UK.

reader.co.uk

READER

CEMENT PRODUCTS

Clarke Chapman Group

Clarke Chapman produces specialist materials handling equipment, principally for the UK nuclear, defence and rail sectors.

Founded in 1864, Clarke Chapman's headquarters and manufacturing facilities are located at Gateshead, in the Northeast of England.

The business was acquired by Langley from Rolls-Royce plc in 2000.

clarkechapman.co.uk

CLARKE CHAPMAN

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Global Locations

Argentina Buenos Aires | **Asia Pacific** Singapore | **Australia** Sydney | **Austria** Wiener Neudorf | **Bangladesh** Dhaka | **Belgium** Brussels, Wemmel | **Brazil** São Paulo | **Bulgaria** Sofia | **Canada** Toronto | **Chile** Santiago | **China** Beijing, Chengdu, Guangzhou, Hong Kong, Shanghai, Shenzhen, Wuhan | **Columbia** Bogota | **Croatia** Zagreb | **Czech Republic** Prague, Kuřim | **Denmark** Ballerup, Nørresundby | **Finland** Vantaa | **France** Château-du-Loir, Mulhouse, Paris, Soppe-Le-Bas | **Germany** Augsburg, Elze, Frankfurt, Hamburg, Hanover, Stuttgart | **Hungary** Budapest | **India** Mumbai, New Delhi | **Indonesia** Jakarta | **Ireland** Dublin | **Italy** Arzignano, Bergamo, Genova, Milan | **Japan** Saitama | **Malaysia** Shah Alam | **Mexico** Huimilpan, Puebla | **Netherlands** Amsterdam, Helmond, Zwijndrecht | **Norway** Hordvik | **Peru** Lima | **Poland** Nadarzyn, Gniezno | **Portugal** Sintra | **Romania** Bucharest, Sibiu | **Russia** Moscow | **Slovakia** Bratislava | **Slovenia** Ljubljana | **South Africa** Cape Town, Johannesburg | **Spain** Barcelona, Madrid, Tarragona | **Sweden** Fjärås, Trollhättan | **Switzerland** Kirchberg | **Taiwan** New Taipei City | **Thailand** Bangkok | **United Kingdom** Various Locations | **USA** Austin TX, Dallas TX, Detroit MI, New York, Norcross GA, Rock Hill SC, Westmont IL | **Venezuela** Caracas

90+
Subsidiaries Worldwide

18
Manufacturing Sites

IFRS Annual Report & Accounts 2021

Company Information

IFRS Report & Accounts 2021

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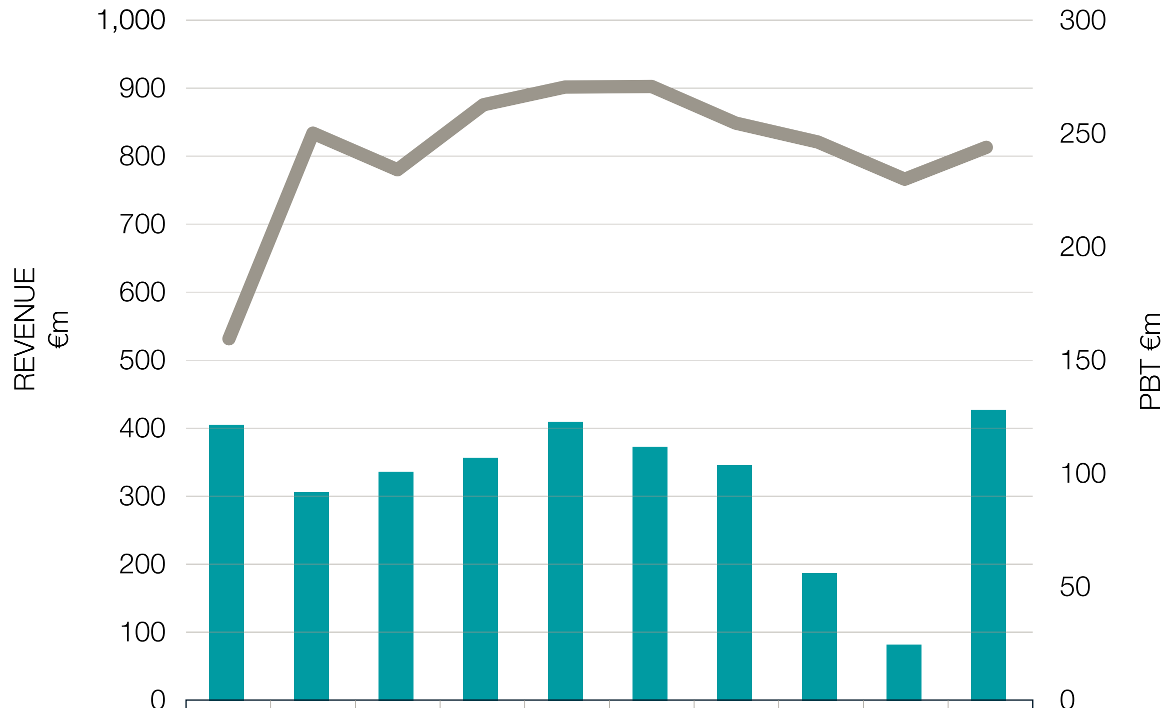
DIRECTORS:	A J Langley – Chairman B J Langley W A Langley M J Neale
COMPANY SECRETARY:	P Sexton
REGISTERED OFFICE:	Enterprise Way Retford Nottinghamshire DN22 7HH United Kingdom
REGISTERED IN ENGLAND NUMBER:	1321615
AUDITOR:	Saffery Champness LLP 71 Queen Victoria Street London EC4V 4BE United Kingdom
PRINCIPAL BANKERS:	Barclays Bank plc PO Box 3333 One Snowhill Snowhill Queensway Birmingham B4 6GN United Kingdom Deutsche Bank AG Adolphsplatz 7 20457 Hamburg Germany Commerzbank AG Sand 5-7 21073 Hamburg Germany

Key Highlights

Year Ended 31 December 2021

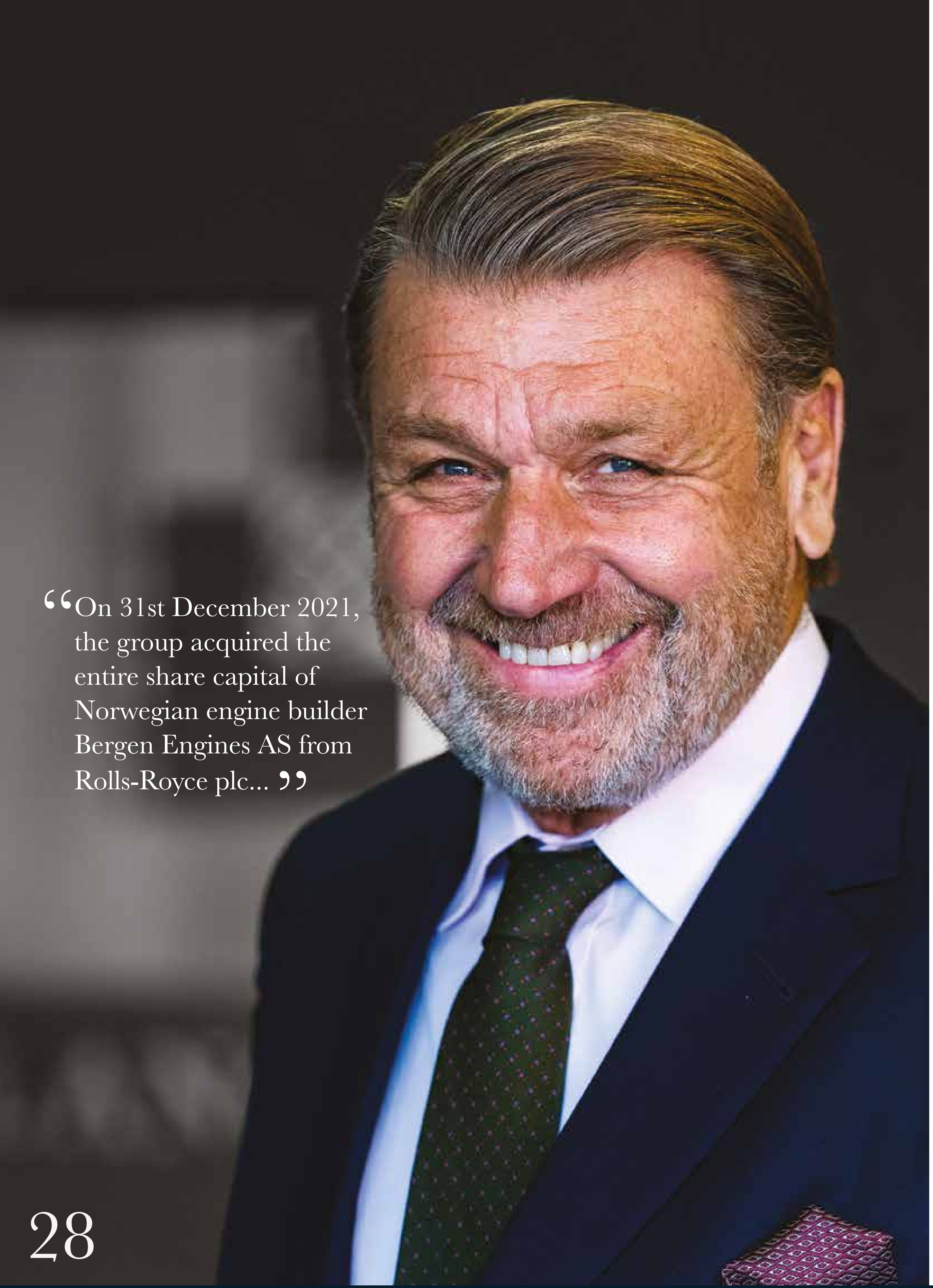
	Year ended 31 December 2021 €'000	Year ended 31 December 2020 €'000
REVENUE	814,627	766,778
PROFIT BEFORE TAXATION	128,240	24,047
NET ASSETS	835,692	707,178
CASH AND CASH EQUIVALENTS	290,988	287,963
ORDERS ON HAND	797,880	220,169
	No.	No.
EMPLOYEES	5,339	4,661

10 Year Trading Summary



	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
PBT	121	91	101	107	123	112	104	56	24	128
Revenue	527	834	779	875	901	904	848	820	767	815

"…in 7 of the last 10 years PBT has exceeded €100 million and in 2021, significantly so."



Chairman's Review

Year Ended 31 December 2021

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In the year ended 31st December 2021, the group recorded a profit before tax of €128.2million (2020: €24.0million) and generated revenues of €814.6million (2020: €766.8 million). At the year-end the group's cash stood at €291.0 million (2020: €288.0 million), net assets were €835.7 million (2020: €707.2million) and orders on hand €797.9 million (2020: €220.1 million). The group has nil net debt (2020: nil) and there were no shareholder dividends during the period (2020: nil).

On 31st December 2021, the group acquired the entire share capital of Norwegian engine builder Bergen Engines AS from Rolls Royce plc for a consideration of €91 million. The transaction was funded from existing cash reserves.

"In the year ended 31st December 2021, the group recorded a profit before tax of €128.2 million."

Acquisition of Bergen Engines AS

Bergen Engines generated revenues of circa €250 million for Rolls-Royce in 2021. The year-end balance sheet, order backlog and employee numbers are incorporated in these Accounts. Further details are contained in notes 11, 22 and 39.

Economic Situation

Following the hammer blow that Coronavirus delivered in 2020, the year began with cautious optimism that vaccines were just around the corner. As rollouts gathered pace and social restrictions began to ease, optimism amongst populations, no longer fearful of Coronavirus, turned to a kind of euphoria.

By the middle of the year, demand in the economy rose significantly and by year-end order books in the Langley group were at record levels, in part due to increased demand but also in part due to supply chain restrictions hampering deliverables.

Demand outstripped supply in many areas as suppliers struggled to gear back up. Inevitably, prices rose and lead times increased. This was progressive through the year and the final quarter of 2021 saw the steepest price increases. I expect equilibrium will be restored eventually – a view supported by the IMF's long term inflation forecast of 2% – but for the immediate future at least, inflation not seen in more than four decades, is here and to be lived with.

Group Organisation

With the arrival of Bergen Engines, the group's activities can now be broadly categorised into three principal areas:

- **Power Solutions**
- **Print Technologies**
- **Other Industrials**

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Power Solutions

Bergen Engines (acquired 31st December) Medium-speed engine builder (Norway)
Piller Power Systems Power stabilisation technology (Germany)
Marelli Motori Motors and generators producer (Italy)

Revenue 2021: €270 million
Orders on hand: €550 million
Forecast Revenue 2022: €600 million
Employees: 2,283

Bergen Engines

Bergen Engines AS, which produces large liquid and gas fuelled engines, principally for marine and land-based power generation applications, recorded revenue of circa €250 million for Rolls-Royce in 2021 and a loss before tax of €10.6 million before reversal of impairment losses. A positive contribution from the subsidiaries was negated by a shortfall in the Norwegian parent company.

The company, which had been under Rolls-Royce stewardship since 1999, has a superb reputation and is proving to be highly innovative in adapting its engines to low-carbon and non-fossil fuels.

The Bergen Engines group currently employs 929 people worldwide, of which 688 are based at its headquarters and production facilities near Bergen, in Norway.

"...highly innovative in adapting its engines to low carbon and non-fossil fuels."

The Bergen Engines AS facility near Bergen, in Norway.

The freehold facility, which extends to some 20 hectares (50 acres), is well invested and includes an own foundry. The group has subsidiaries in the USA, Mexico, Denmark, the Netherlands, Spain, Italy, the UK, India and Bangladesh.

Going forward, Bergen Engines will be central to the group's net zero strategy, working closely with our Marelli Motori and Piller Power Systems divisions to offer power solutions in the rapidly emerging hybrid renewables microgrid sector, whilst continuing to serve traditional markets.

Piller Power Systems

Piller Group GmbH, our German producer of mission-critical electrical equipment – principally UPS systems for data centres, along with its overseas sales and service subsidiaries – was the largest contributor to the group trading result in 2021. Capital projects delayed in 2020 and a surge in new business contributed to an all-time high order intake in 2021 and the backlog at year-end was more than twice that of the previous year, both records during our 17-year stewardship.

2021 revenues were similar to 2020, although margin quality was improved. This was partly due to the company broadening its presence outside of the data centre sector and partly due to increasing uptake of its state-of-the-art UB-V Series UPS, which was four years in development and launched in 2020. Notably Piller also secured its largest ever naval order in 2021, to supply on board electrical equipment for a European submarine project.

"A surge in new business contributed to an all-time high order intake in 2021."

Piller's expertise in power stabilisation lends itself well to the challenge of balancing multiple energy sources in microgrid applications. Going forward, Piller will be working closely with Bergen Engines and Marelli Motori, exploring consortial based solutions in this rapidly emerging sector.

Active Power Inc, the flywheel UPS producer based in Austin, Texas, had a very satisfactory year, its second under new management as a stand-alone business within the Piller group.

Marelli Motori

Marelli Motori, our Italian manufacturer of electric motors and generators for the marine, oil & gas, power generation and other industrial sectors, made a nominally positive underlying contribution to the group after residual non-cash impairments relating to the closure of its Malaysian manufacturing facility in 2020.

The Marelli Motori factory in Arzignano, northern Italy. Production moved back from Malaysia.

Acquired in May 2019, Marelli now operates entirely from its 16 hectares (40 acres) freehold site in northern Italy. The company has sales, distribution and service subsidiaries in the United States, Germany, South Africa and Malaysia.

Production of the smallest motors and alternators in the Marelli range was transferred back to Europe and sub-contract manufacturing for these product lines established in Croatia during the period.

The largest Marelli alternators have been paired with Bergen engines for many years, their premium quality complimenting the supreme reliability of Bergen engines. The two companies will now work even more closely together.

Print Technologies

Manroland Sheetfed GmbH Printing machinery builder (Germany)
Druck Chemie GmbH Print chemicals producer (Germany)
HiTech Chemicals BV & BluePrint Products NV Print chemicals producers (Benelux)

Revenue 2021: €300 million **Forecast Revenue 2022: €400 million**
Orders on hand: €112 million **Employees: 1,726**

Manroland Sheetfed

Manroland Sheetfed GmbH, our German offset litho printing press builder, had a strong year of order intake for new presses but Covid absenteeism and supply chain frustrations at the factory resulted in a negative contribution for the year. Service activities, across the 40 plus subsidiaries worldwide, if not back to pre-Covid normality, were at least closer to those levels.

"A strong year of order intake for new presses."

With its record order backlog, 2022 looks set to be a better year. The ROLAND 700 Evolution, Speed, Elite and Lite variants and the ROLAND 900 Evolution presses, all the culmination of several years of research and development under our stewardship, are considered state-of-the-art and technologically industry leading. This has undoubtedly contributed to the very strong order intake during the year and confirming that confidence has returned to the sector.

However, until such time as productivity returns to normal, sacrifices will need to continue.

Druck Chemie Group

(incorporating HiTech Chemicals BV & BluePrint Products NV)

Druck Chemie – our German print chemicals producer, together with its distribution subsidiaries in Belgium, Brasil, the Czech Republic, France, Italy, Poland, Spain and Switzerland – had a very successful year, despite the pandemic, as print shops across Europe geared back up.

The acquisition of HiTech Chemicals BV and BluePrint Products NV from Heidelberger Druckmaschinen AG in December 2020 was well integrated during the year. The state-of-the-art Kruibeke production facility in Belgium compliments Druck Chemie's facility in Ammerbuch, Germany, very well and 2022 looks set to be another satisfactory year.

"Acquisition of HiTech Chemicals and BluePrint Products …well integrated during the year."

Other Industrials

Other areas of group activity include automotive welding equipment, materials handling, packaging machinery, construction materials, housebuilding and commercial property.

Materials Handling Claudius Peters Group GmbH (Germany)
Clarke Chapman Group Ltd (UK)

Automotive Welding Technology ARO Welding Technologies SAS (France)

Packaging Machinery Bradman Lake Ltd (UK)

Construction Materials, Housebuilding & Commercial Property
Reader Cement Products Ltd (UK)
Oakdale Homes Ltd (UK)
Various property holding entities (Global)

Revenue 2021: €250 million **Forecast Revenue 2022: €300 million**
Orders on hand: €136 million **Employees: 1,330**

Materials Handling

Claudius Peters

Claudius Peters Group GmbH, our materials handling and plant machinery builder to the cement, gypsum and steel industries, and aircraft stringer manufacturer, started the year with an historically low order book. This improved significantly as the year progressed, culminating in a very strong backlog at the year-end, in fact a record during our stewardship of the business, which we acquired in 2001.

Claudius Peters' aerospace division manufactures aircraft stringers for Airbus, several kilometres of which can be found in the structure of every commercial airplane built. The company has been a supplier of these critical components to Airbus continuously since 1983.

Claudius Peters France, now down sized and trading positively, finally received confirmation of a long awaited materials handling contract from Azerbaijan. Claudius Peters China made a very solid contribution, as did the US subsidiary. The outposts in Spain, Italy, the UK and Romania all contributed positively around or above budget. Only Brazil fell short, the country particularly hard hit by Coronavirus.

Performance of the Claudius Peters group, as elsewhere, was dogged with supply chain issues and Covid absenteeism, but overall the division just made it back into positive territory.

With a much improved order book at the year-end the business should do better in 2022, although structural problems in Germany still need to be addressed.

The aircraft stringer business had a better year than 2020, slightly exceeding its budget. Forecast demand for 2022 is up on 2021, although significantly lower than historically.

Clarke Chapman

Clarke Chapman Group Ltd, our specialist materials handler, principally to the UK nuclear sector, and service provider to the UK rail network, was more or less on budget. However, order intake was behind, principally due to a large project for the nuclear sector being delayed and now expected in April.

Nonetheless, another satisfactory year for the business that we acquired in 2000, also from Rolls-Royce.

Automotive Welding Technology

ARO Welding Technologies

ARO Welding Technologies SAS – our French producer of resistance welding machines to the automotive sector – had an improved year when compared with 2020, almost doubling its albeit modest PBT budget, with revenues exceeding target by around 20%.

However, this was a long way shy of the stellar pre-Covid performances, although 2019 had already seen the beginnings of a slowdown.

In 2021 there was a solid contribution from ARO France, the headquarters and principal manufacturing site, and ARO's Detroit plant in the USA also performed well. The outposts in Belgium, Spain, Brazil, Mexico, Slovakia and the UK all contributed positively. Only the Wuhan, China and German subsidiaries underperformed their targets.

> "Underlying demand for new cars surged in 2021 …the shift to electric vehicles becoming ever stronger."

The automotive sector was hit particularly hard by supply chain issues in 2021, notably the widely reported chip shortage, and this impacted on capital investments. Underlying demand for new cars surged in 2021 though, with the shift to electric vehicles becoming ever stronger; a trend set to continue.

I expect 2022 will see further improvement in ARO's performance, subject to supply chain disruption and Covid absenteeism not limiting the recovery.

Packaging Machinery

Bradman Lake

Bradman Lake Group Ltd, our packaging machinery business, had another successful year. Food packaging, its main market, remained buoyant in 2021.

Revenue and PBT targets were exceeded at both the Bristol and Beccles business units in the UK, and at Rockhill SC in the USA, with healthy order books at the year-end on both sides of the pond.

2022 should see a continuation of the good performance, subject of course to Covid limitation factors.

Construction Materials, Housebuilding & Commercial Property

Reader Cement Products

Reader Cement Products Ltd, the UK cement blending and packing specialist, had another very successful year, equalling 2020's record performance. This was despite missing sales of a high margin imported special cement due to lack of availability, which historically was a substantial contributor to the result. An outstandingly good performance considering.

Oakdale Homes

Oakdale Homes Ltd, the local house builder, posted a positive operating result, albeit nominally. The business is being wound down and no further developments will be commenced.

Commercial Property

The group owns outright over 95% of its manufacturing, warehousing and administrative footprint worldwide which, with the addition of Bergen Engines, now extends to around 1,000,000 square metres or, approximately 11,000,000 square feet.

> "...the group's manufacturing footprint now extends to over 1,000,000 square metres..."

During the year the final phase of alterations to Senefelderhaus, the headquarters building of the former Manroland AG in Germany, were completed. The project, which began in 2018 to convert the building to a training academy for the Bundespolizei, is now completed and fully occupied. Further redevelopment of adjacent surplus land and buildings is being discussed.

In the UK, surplus land at Clarke Chapman which was redeveloped into a business park, is now largely fully occupied following conversion of the most recent phase to a Covid testing laboratory for the NHS.

Our People

As is customary, no review would be complete without mention of our employees, at the year-end numbering 5,339 worldwide. It is their hard work and commitment that makes the group what it is today.

This year I welcome to our family of businesses, the employees of the Bergen Engines group, adding Norway to the long list of countries where the group provides jobs and security to our people and their families.

Unfortunately, in the near future we will be letting go a small number of employees at Bergen Engines, and restructuring consultations have already begun in Norway.

Chairman's Review (continued)

Year Ended 31 December 2021

LANGLEY

However, the reorganisation is not a major one and is absolutely necessary, along with a raft of other measures, to streamline the company's cost base.

Only by doing so will the company be able to provide security for the vast majority of people who will remain.

Home Working

As I write, Covid restrictions are relaxing exponentially as the severity of Coronavirus infection diminishes, in part due to the virus weakening and in part due to widespread vaccination rollouts. Within days of writing this, all restrictions in the UK are due to be lifted, other countries will presumably follow.

Mandatory work from home orders are already being scrapped in many jurisdictions and I am conscious that there are some that would prefer to continue working in this way. Of course for the majority of employees in an industrial manufacturing group like Langley, working from home was never an option. For those that can, some would like to continue and others will welcome a return to a normal working environment.

Whatever the personal preference of an individual, it is now not the time to debate the relative merits of home working. The group's position on this matter is that unless legally required, those that do not normally work from home are to return to their normal place of work.

> "The time is now to get our businesses back to full strength and efficiency and that means office workers working in offices."

The time is now to get our businesses back to full strength and efficiency and that means office workers working in offices.

Conclusion and Outlook

2021 was the year in which we began to look back on Coronavirus and forward to a post-pandemic world. It's legacy will likely resonate for many years to come.

The group's performance overall in 2021 was satisfactory. Despite operations were much improved compared to 2020, they were seriously hampered by supply chain problems, travel restrictions and Covid absenteeism in all divisions. Absenteeisms have increased as the virus, albeit less virulent, is affecting larger numbers.

Overall though, the group has responded well to the unique challenges presented by the pandemic and for the most part our customers were kept satisfied.

Notably, in 7 of the last 10 years PBT has exceeded €100 million and in 2021, significantly so. Moreover, the acquisition of Bergen Engines from Rolls-Royce represents a seminal moment in the group's history and towards its net zero objectives.

Together with Piller Power Systems and Marelli Motori, Bergen will become the central pillar of our net zero strategy, pursuing opportunities in the rapidly emerging hybrid renewables microgrid power generation sector.

Power Solutions is expected to generate around €600 million of the group's anticipated €1.3 billion revenues in 2022; Print Technologies approximately €400 million and; Other Industrials around €300 million.

> "...a step change, not only in the group's scale of operations but also in its contribution to net zero."

The group ended 2021 with record order books in all three areas. With the combined order backlog of nearly €800 million, which is almost equal to the entire revenue in 2021, the 2022 targets appear to be realistic, marking a step-change not only in the group's scale of operations for the group, but also in its contribution to net zero emissions.

Anthony J Langley
Chairman
16th February 2022

Directors' Report

Year ended 31 December 2021

The Directors present their report together with the audited Accounts of the Group for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the Company continued to be that of a managing and parent company for a number of trading subsidiaries organised in divisions and business units engaged principally in the design, manufacture, supply and servicing of capital equipment. The specific activities of the subsidiary undertakings are as disclosed in note 39 to the Accounts.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out on page 50. The profit attributable to the shareholder for the financial year was €106,470,000 (2020 – €17,810,000).

Dividends of €nil were paid to the ordinary shareholder during the year (2020 – €nil). No final dividend was proposed at the year end.

Financial risk management, research and development and the Group's employment policy is considered within the Strategic Report.

POLICY ON THE PAYMENT OF CREDITORS

The Group seeks to maintain good relations with all of its trading partners. In particular, it is the Group's policy to abide by the terms of payment agreed with each of its suppliers. The average number of days' purchases included within trade creditors for the Group at the year end was 39 days (2020 – 31 days).

INFORMATION CONTAINED IN THE STRATEGIC REPORT

The Group has chosen in accordance with Companies Act 2006 s 414C(11) to set out in the Group's strategic report the information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 Sch. 7 to be contained in the directors' report. It has done so in respect of:

- Principal risks and uncertainties
- Future events
- Employee engagement
- Business relationships

DIRECTORS' INTERESTS

The Directors of the Company in office during the year and up to the date of signature of the accounts and their beneficial interests in the issued share capital of the Company were as follows:

	At 31 Dec 2021 Ordinary shares of £1 each	At 31 Dec 2020 Ordinary shares of £1 each
A J Langley (Chairman)	60,100,010	60,100,010
B J Langley	–	–
W A Langley	–	–
M J Neale	–	–

The shareholding of Mr A J Langley represents 100% of the issued share capital of the Company.

STREAMLINED ENERGY AND CARBON REPORT

Langley Holdings plc is committed to making careful assessments of its levels of energy consumption and impact of carbon dioxide emissions on the environment. Energy usage covered in this disclosure covers the Company, and is primarily the electricity consumption within our office buildings, and fuel used for business mileage.

Energy usage has been calculated based on gas and electricity meter readings, extrapolated where readings were not available. Fuel used in respect of both reimbursed business mileage and in respect of vehicles owned by the Company have been taken from expense claims and have been extrapolated where data was not available.

Energy consumption derives from the following fuel types:

	Consumption (KwH)	Consumption %	Equivalent greenhouse emission (tonnes)	Greenhouse gas emissions (%)
31 December 2021				
Transportation (derv/petrol)	78,763	48.77	18,874	52.72
Natural gas	21,956	13.59	4,021	11.23
Electricity	60,786	37.64	12,907	36.05
Total	**161,505**	**100.00**	**35,802**	**100.00**
31 December 2020				
Transportation (derv/petrol)	78,763	52.27	19,176	53.53
Natural gas	2,452	1.63	451	1.26
Electricity	69,457	46.10	16,193	45.21
Total	**150,672**	**100.00**	**35,820**	**100.00**

Intensity ratio:

	2021	2020
Total energy consumption (KwH)	161,505	150,672
Associated GHG emissions (tCO_2e)	35,802	35,820
Turnover excluding dividends from subsidiaries (€'000)	7,444	5,239
Intensity ratio (tCO_2e per €'000)	4.81	6.84

The carbon emissions have been calculated in accordance with the Greenhouse Gas (GHG) Protocol. Conversion factors to convert the raw energy and transport figures to Tonnes CO_2 Greenhouse Gas Emissions are taken from the most recent (2019) Department for Business Energy and Industrial Strategy publication: https://www.gov.uk/government/collections/government-conversion-factors-for-company-reporting.

The measure for the intensity ratio has changed from group turnover to company turnover excluding dividends from subsidiaries as the directors consider this to be more appropriate in line with the UK data used.

DISCLOSURE OF INFORMATION TO AUDITORS

In the case of each person who was a Director at the time this report was approved:

- so far as that Director was aware there was no relevant available information of which the Company's auditors were unaware; and
- that Director had taken all steps that the Director ought to have taken as a Director to make himself or herself aware of any relevant audit information and to establish that the Company's auditors were aware of that information.

This confirmation is given and should be interpreted in accordance with the provision of s418 of the Companies Act 2006.

AUDITORS

The auditors, Saffery Champness LLP indicated their willingness to continue in office.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Strategic Report, Directors' Report and the Accounts in accordance with applicable law and regulations.

Company law requires the directors to prepare Accounts for each financial year. Under that law the Directors have elected to prepare the Group and Parent Company Accounts in accordance with applicable law and international accounting standards (IAS) as adopted in the United Kingdom. Under company law the Directors must not approve the Accounts unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the Group and of the profit or loss of the Group for that period.

In preparing these Accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IASs as adopted by the United Kingdom have been followed subject to any material departures disclosed and explained in the Accounts; and
- prepare the Accounts 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 enable them to ensure that the Accounts 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's website. Legislation in the United Kingdom governing the preparation and dissemination of accounts may differ from legislation in other jurisdictions.

By order of the Board

BERNARD J LANGLEY
Director

Langley Holdings PLC
Registered in England and Wales
Company number 01321615

16 February 2022

The Directors present their Strategic Report for the year ended 31 December 2021 to provide a review of the Group's business, principal risks and uncertainties and performance and position alongside key performance indicators.

(a) Development performance and position

The Directors are satisfied with the trading results of the Group for the year. The Chairman's Review on pages 28 to 38 contains an analysis of the development and performance of the Group during the year and its position at the end of the year.

(b) Principal risks and uncertainties

There are a number of risks and uncertainties which may affect the Group's performance. A risk assessment process is in place and is designed to identify, manage and mitigate business risks. However it is recognised that to identify, manage and mitigate risks is not the same as to eliminate them entirely. The Group ensures that it limits its exposure to any downturn in its traditional trading sector by continuing to diversify its activities, identifying opportunities for existing product offerings into new markets and for new products for all markets. The Group has a wide range of customers which limits exposure to any material loss of revenue. The Group's exposure to the volatility of exchange rates is mitigated through its geographical spread of operations.

(c) Going Concern

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Review on pages 28 to 38. The financial position of the Group, its cash flows and liquidity position are also described in the Chairman's Review. In addition, note 30 to the Accounts includes the Group's policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments, and its exposures to credit risk and interest rate risk.

The Group's subsidiaries are for the most part either market leaders or niche operators in their particular field and operate across numerous different geographic areas and industries. None of the subsidiaries are reliant on any individual supplier or customer and the Group has considerable financial resources. Consequently, the Directors believe that the Group is well placed to manage its business risks successfully and thus they continue to adopt the going concern basis of accounting in preparing the annual Accounts.

(d) Financial Risk Management

Prudent liquidity risk management implies maintaining sufficient cash on deposit and the availability of funding through an adequate amount of committed credit facilities. The Directors are satisfied that cash levels retained in the business, committed credit facilities and surety lines are more than adequate for future foreseeable requirements. Further details are set out in note 30 to the Accounts.

(e) Section 172 Disclosures

Overview of how the Board performed its duties:

Shareholder
The shareholder is a member of the Board, which allows the other directors to liaise directly with the shareholder at Board meetings.

Employees
The Company has a well-developed structure through which it engages regularly with employees. Board members perform regular site visits and meetings are held on operational sites throughout the year which provides an opportunity for the directors to engage directly with employees on a variety of topics.

Customers
Key employees within each division are in regular contact with our principal customers. In addition, in order to help directors to develop their understanding of the Company's relationship with key customers, business unit reporting is submitted monthly to the Board detailing new orders and any customer issues.

Suppliers
Key employees within each division are in regular contact with our principal suppliers and develop relationships with companies in our supply chains. Any issues for Board consideration would be reported in the monthly business unit report.

Community and environment
The Board recognises the importance of leading a company that not only generates value for the shareholder but also contributes to wider society. Langley Holdings match any charitable donations made by employees and immediate families of the employees.

As a multi-disciplined engineering and manufacturing company, we recognise that environmental and climate risks could impact us directly, and we are committed to reducing the environmental impact of our operations and products, and minimising our environmental footprint.

Culture
The long-standing Group philosophy commits to carrying out business with the utmost integrity and to the highest ethical standards. Langley culture is forged not from short-term profits, or from creating 'shareholder value' by buying and selling companies, but from long-term development of businesses. This not only gives employees the will to excel, but also fosters confidence amongst many customers, suppliers and other stakeholders.

The acquisition of Bergen Engines AS during the year demonstrates how the Group capitalised on existing cash reserves to promote the continued, sustainable growth of the Group for the benefit of the shareholder and employees, whilst also providing a broader service offering to existing customers.

(f) Key performance indicators (KPI's)

The Board uses a number of tools to monitor the Group's performance including a review of key performance indicators (KPI's) on a regular and consistent basis across the Group. Examples of KPI's currently used include:

Targets

- Regular monthly monitoring of sold and developed contract margins
- Orders on hand
- Cash held

Strategic Report (continued)

Year ended 31 December 2021

	2021	2020
	€'000	**€'000**
Orders on hand	796,692	220,169
Cash held	290,988	287,963

The Board also considers the following non-financial key performance indicator:

- Staff turnover

These are reviewed monthly through information provided to the Board and details are shown on page 26. Analysis using the above KPI's is presented in the Chairman's review.

(g) Research and development

The Group is committed to innovation and technical excellence. The Group, through its divisions, maintains a programme of research and development to ensure that it remains at the forefront of respective technologies in its key sectors.

(h) Employment Policy

The Group is committed to a policy of recruitment and promotion on the basis of aptitude and ability, without discrimination of any kind, and to training for the existing and likely needs of the business.

It is the Group's policy to keep its employees informed on matters affecting them and actively encourage their involvement in the performance of the Group. The directors are in regular contact with local and divisional management who maintain day-to-day responsibility for employee engagement and related decision making.

The Company gives full and fair consideration to application for employment by the Group made by disabled persons, having regard to their particular aptitudes and abilities. The Group also gives full and fair consideration to employees of the Group who have become disabled persons during their period of employment, including arranging appropriate training.

By order of the Board

BERNARD J LANGLEY
Director
16th February 2022

Langley Holdings PLC
Registered in England and Wales
Company number 01321615

Independent Auditor's Report to the Member

LANGLEY

Year ended 31 December 2021

Opinion

We have audited the financial statements of Langley Holdings plc (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards (IAS).

In our opinion:

- the financial statements give a true and fair view of the state of affairs of the Group and of the Parent Company as at 31 December 2021 and of the Group's profit for the period then ended; and
- the Group and the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards (IAS); and
- the financial statements 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 and the Parent Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's 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.

Independent Auditor's Report to the Member (continued)

Year ended 31 December 2021

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report 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 41, 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.

Independent Auditor's Report to the Member (continued)

Year ended 31 December 2021

LANGLEY

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.

Auditor's responsibilities for the audit of the financial statements

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

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

Identifying and assessing risks related to irregularities:

We assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement and how fraud might occur, including through discussions with the directors, discussions within our audit team planning meeting, updating our record of internal controls and ensuring these controls operated as intended. We evaluated possible incentives and opportunities for fraudulent manipulation of the financial statements. We identified laws and regulations that are of significance in the context of the Group and Parent Company by discussions with directors and communication with component auditors, and by updating our understanding of the sectors in which the Group and Parent Company operate.

Laws and regulations of direct significance in the context of the Group include The Companies Act 2006, pensions legislation and UK Tax legislation as well as similar laws and regulations prevailing in each country in which we identified a significant component.

Other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to their ability to operate or to avoid a material penalty include anti-bribery legislation, health and safety legislation and employment law.

We identified the presentation of the Group's income statement, the valuation of investment properties, and revenue recognition to be the areas most susceptible to the risk of material misstatement due to fraud and non-compliance.

Independent Auditor's Report to the Member (continued)

Year ended 31 December 2021

Audit response to risks identified

We considered the extent of compliance with these laws and regulations as part of our audit procedures on the related financial statement items including a review of financial statement disclosures. We reviewed the Group and Parent Company's records of breaches of laws and regulations, minutes of meetings and correspondence with relevant authorities to identify potential material misstatements arising. We discussed the Group and Parent Company's policies and procedures for compliance with laws and regulations with members of management responsible for compliance.

During the planning meeting with the audit team, the engagement partner drew attention to the key areas which might involve non-compliance with laws and regulations or fraud. We enquired of management whether they were aware of any instances of non-compliance with laws and regulations or knowledge of any actual, suspected or alleged fraud. We addressed the risk of fraud through management override of controls by testing the appropriateness of journal entries and identifying any significant transactions that were unusual or outside the normal course of business. We assessed whether judgements made in making accounting estimates gave rise to a possible indication of management bias. At the completion stage of the audit, the engagement partner's review included ensuring that the team had approached their work with appropriate professional scepticism and thus the capacity to identify non-compliance with laws and regulations and fraud.

As Group auditors, our assessment of matters relating to non-compliance with laws or regulations and fraud differed at Group and component level according to their particular circumstances. Our communications with component auditors included a request to identify instances of non-compliance with laws and regulations and fraud that could give rise to a material misstatement of the Group financial statements in addition to our risk assessment.

In addition, we reviewed the financial statement disclosures and agreed to supporting documentation to assess compliance with the provisions of relevant laws and regulations. We reviewed the professional property valuation assumptions and assessment of the suitability of the firm and individual carrying out the valuations; reading of minutes and internal business unit reports; assessment of whether judgements made in making accounting estimates are indicative of potential bias; and assessed whether accounting entries have been made in accordance with IFRS 15.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

Independent Auditor's Report to the Member (continued)

Year ended 31 December 2021

LANGLEY

Use of our report

This report is made solely to the Parent Company's member, 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 Parent Company's member 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 Parent Company and the Parent Company's member as a body, for our audit work, for this report, or for the opinions we have formed.

Alistair Hunt (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants

Statutory Auditors
Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

16 February 2022

Consolidated Income Statement

Year ended 31 December 2021

	Notes	2021 €'000	2020 €'000
REVENUE	2	814,627	766,778
Cost of sales		(569,291)	(541,164)
GROSS PROFIT		245,336	225,614
Net operating expenses	3	(116,921)	(202,066)
OPERATING PROFIT	4	128,415	23,548
Finance income	5	240	1,041
Finance costs	6	(415)	(542)
PROFIT BEFORE TAXATION		128,240	24,047
Income tax expense	10	(21,770)	(6,237)
PROFIT FOR THE YEAR		106,470	17,810

All profit for the year is attributable to the Equity holder of the Parent Company.

The notes on pages 51 to 114 form part of these accounts

Consolidated Statement of Other Comprehensive Income

LANGLEY

Year ended 31 December 2021

	Notes	2021 €'000	2020 €'000
Profit for the year	2	106,470	17,810
Other comprehensive income:			
Items which will not be reclassified to profit and loss			
Re-measurement loss on defined benefit pension schemes	9	291	(229)
Deferred tax relating to re-measurement	28	7	45
		298	(184)
Other deferred tax movements	28	(74)	345
Gain on revaluation of properties	13	754	–
Items which may be reclassified to profit and loss			
Exchange differences on translation of foreign operations	36	21,066	(18,187)
Other comprehensive income for the year		22,044	(18,026)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		128,514	(216)

All comprehensive income for the year is attributable to the Equity holder of the Parent Company.

The notes on pages 51 to 114 form part of these accounts

Consolidated Statement of Financial Position

Year ended 31 December 2021

	Note	2021 €'000	2021 €'000	2020 €'000	2020 €'000
NON-CURRENT ASSETS					
Intangible assets	12		16,292		17,672
Property, plant and equipment	13		340,735		219,339
Investments	14		14		14
Investment properties	15		64,626		55,604
Trade and other receivables	16		5,704		3,272
Deferred income tax assets	28		32,236		34,950
			459,607		330,851
CURRENT ASSETS					
Inventories	17	325,766		188,625	
Trade and other receivables	18	257,414		159,400	
Current income tax recoverable	19	7,281		5,960	
Cash and cash equivalents	20	290,988		287,963	
		881,449		641,948	
CURRENT LIABILITIES					
Current borrowings	24	56		721	
Current income tax liabilities	23	9,507		10,697	
Trade and other payables	21	339,986		176,866	
Provisions	22	47,187		19,324	
		396,736		207,608	
NET CURRENT ASSETS			484,713		434,340
Total assets less current liabilities			944,320		765,191
NON-CURRENT LIABILITIES					
Provisions	22	1,805		792	
Long term borrowings	24	117		177	
Trade and other payables	25	48,346		18,213	
Retirement benefit obligations	26	13,489		13,322	
Non-current income tax liabilities	27	1,219		-	
Deferred income tax liabilities	28	43,652		25,509	
			108,628		58,013
NET ASSETS			835,692		707,178
EQUITY					
Share capital	33		71,227		71,227
Merger reserve	34		4,491		4,491
Revaluation reserve	35		27,966		27,436
Retained earnings	36		732,008		604,024
TOTAL EQUITY			835,692		707,178

Approved by the Board of Directors, and authorised for issue on 16th February 2022 and signed on its behalf by

ANTHONY J LANGLEY
Director

BERNARD J LANGLEY
Director

The notes on pages 58 to 121 form part of these accounts

Consolidated Statement of Changes in Equity

Year ended 31 December 2021

LANGLEY

	Share Capital €'000	Merger Reserve €'000	Revaluation Reserve €'000	Retained Earnings* €'000	Total €'000
AT 1 JANUARY 2020	71,227	4,491	28,920	602,756	707,394
Profit for the year	–	–	–	17,810	17,810
Depreciation transfer	–	–	(1,829)	1,829	–
Currency exchange difference arising on retranslation	–	–	–	(18,187)	(18,187)
Re-measurement of defined benefit schemes net of deferred tax	–	–	–	(184)	(184)
Deferred tax movement	–	–	345	–	345
TOTAL COMPREHENSIVE INCOME	–	–	(1,484)	1,268	(216)
Dividends paid	–	–	–	–	–
AT 31 DECEMBER 2020	71,227	4,491	27,436	604,024	707,178
Profit for the year	–	–	–	106,470	106,470
Depreciation transfer	–	–	(150)	150	–
Currency exchange difference arising on retranslation	–	–	–	21,066	21,066
Re-measurement of defined benefit schemes net of deferred tax	–	–	–	298	298
Revaluation gain	–	–	754	–	754
Deferred tax movement	–	–	(74)	–	(74)
TOTAL COMPREHENSIVE INCOME	–	–	530	127,984	128,514
Dividends paid	–	–	–	–	–
AT 31 DECEMBER 2021	71,227	4,491	27,966	732,008	835,692

* Movements in foreign currency translation reserves are detailed in note 36.

The notes on pages 58 to 121 form part of these accounts

Company Statement of Financial Position

Year ended 31 December 2021

	Note	2021 €'000	2021 €'000	2020 €'000	2020 €'000
NON-CURRENT ASSETS					
Property, plant and equipment	13		17,465		17,528
Investments	14		174,092		80,998
Investment properties	15		13,133		11,926
			204,690		110,452
CURRENT ASSETS					
Inventories	17	9		8	
Trade and other receivables	18	223,914		241,474	
Current income tax recoverable	19	3,686		3,136	
Cash and cash equivalents	20	87,606		125,816	
		315,215		370,434	
CURRENT LIABILITIES					
Trade and other payables	21	3,607		4,072	
		3,607		4,072	
NET CURRENT ASSETS			311,608		366,362
Total assets less current liabilities			516,298		476,814
NON-CURRENT LIABILITIES					
Deferred income tax liabilities	28		360		329
NET ASSETS			515,938		476,485
EQUITY					
Share capital	33		71,227		71,227
Merger reserve	34		4,491		4,491
Retained earnings	36		440,220		400,767
TOTAL EQUITY			515,938		476,485

During the year ended 31 December 2021, the Company generated a profit of €13,417,000 (2020 – loss of €9,481,000).

Approved by the Board of Directors, and authorised for issue on 16th February 2022 and signed on its behalf by

ANTHONY J LANGLEY
Director

BERNARD J LANGLEY
Director

The notes on pages 58 to 121 form part of these accounts

Company Statement of Changes in Equity

Year ended 31 December 2021

LANGLEY

	Share Capital €'000	Merger Reserve €'000	Retained Earnings* €'000	Total €'000
AT 1 JANUARY 2020	71,227	4,491	429,282	505,000
Loss for the year	–	–	(9,481)	(9,481)
Currency exchange differences arising on retranslation	–	–	(19,034)	(19,034)
TOTAL COMPREHENSIVE INCOME	–	–	(28,515)	(28,515)
AT 31 DECEMBER 2020	71,227	4,491	400,767	476,485
Profit for the year	–	–	13,417	13,417
Currency exchange differences arising on retranslation	–	–	26,036	26,036
TOTAL OTHER COMPREHENSIVE INCOME	–	–	39,453	39,435
AT 31 DECEMBER 2021	71,227	4,491	440,220	515,938

* Movements in foreign currency translation reserves are detailed in note 36.

The notes on pages 58 to 121 form part of these accounts

Consolidated Statement of Cash Flows

Year ended 31 December 2021

	Note	2021 €'000	2021 €'000	2020 €'000	2020 €'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash generated from operations	37		74,065		81,536
Bank and loan interest paid			(273)		(366)
Interest received			240		1,041
Income taxes paid			(17,224)		(12,286)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES			56,808		69,925
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash acquired on business combinations	11	34,896		3,605	
Purchase of business combination	11	(91,529)		(20,522)	
Purchase of intangible assets	12	(878)		(219)	
Purchase of property, plant and equipment	13	(8,579)		(6,627)	
Proceeds from sale of available for sale properties		–		16,782	
Proceeds from sale of property, plant and equipment		4,449		1,279	
NET CASH USED IN INVESTING ACTIVITIES			(61,641)		(5,702)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds of new bank loans		–		898	
Repayment of bank loans		(725)		–	
Principal payment of lease liabilities		(2,094)		(4,628)	
NET CASH USED IN FINANCING ACTIVITIES			(2,819)		(3,730)
Net (decrease)/increase in cash and cash equivalents			(7,652)		60,493
Cash and cash equivalents at 1 January			287,963		238,858
Effects of exchange rate changes on cash and cash equivalents			10,677		(11,388)
Cash and cash equivalents at 31 December			290,988		287,963
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short-term deposits	20		290,988		287,963

The notes on pages 58 to 121 form part of these accounts

LANGLEY

Company Statement of Cash Flows

Year ended 31 December 2021

	Note	2021 €'000	2021 €'000	2020 €'000	2020 €'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash used in operations	37		22,145		(11,342)
Interest received			4,844		8,859
Interest expense			(19)		(4)
Income taxes paid			(816)		(4,675)
NET CASH USED IN OPERATING ACTIVITIES			26,154		(7,162)
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property, plant and equipment	13	(214)		(351)	
Purchase of investments	14	(91,529)		–	
Dividends received from investments		12,896		–	
Proceeds from sale of property, plant and equipment		81		222	
NET CASH (USED IN) INVESTING ACTIVITIES			(78,766)		(129)
CASH FLOWS FROM FINANCING ACTIVITIES					
NET CASH USED IN FINANCING ACTIVITIES			–		–
Net decrease in cash and cash equivalents			(52,612)		(7,291)
Cash and cash equivalents at 1 January			125,816		146,432
Effects of exchange rate changes on cash and cash equivalents			14,402		(13,325)
Cash and cash equivalents at 31 December			87,606		125,816
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short-term deposits	20		87,606		125,816

The notes on pages 58 to 121 form part of these accounts

1 ACCOUNTING POLICIES

a Basis of preparation

Langley Holdings plc (registered number 01321615) is a public limited company incorporated in the United Kingdom and limited by shares. The address of its registered office is Enterprise Way, Retford, Nottingham, DN22 7HH.

The Accounts of both the Group and the Company have been prepared in accordance with UK-adopted international accounting standards.

The Accounts have been prepared on a historical cost basis, except for the revaluation of property, plant and equipment, measurement of investment property and measurement of defined benefit pension schemes.

New and amended Standards and Interpretations adopted by the Group

There were a number of Amendments to Standards adopted in the current year but none of these had material impact on the Group.

New and amended Standards and Interpretations issued but not effective for the financial year beginning 1 January 2021

At the date of authorisation of these accounts, there were a number of Standards and Interpretations that were in issue but not yet effective. The effect of all other new and amended Standards and Interpretations which are in issue but not yet mandatorily effective is not expected to materially impact the Group.

b Consolidation

The Consolidated Accounts incorporate the Accounts of the Company and all of its subsidiary undertakings for the year ended 31 December 2021 using the acquisition method, except for common control transactions, and exclude all intra-group transactions. Assets, liabilities and contingent liabilities of acquired companies are measured at fair value at the date of acquisition.

Any excess or deficiency between the cost of acquisition and fair value is treated as positive goodwill or a gain on bargain purchase as described below. Where subsidiary undertakings are acquired or disposed of during the year, the results and turnover are included in the Consolidated Income Statement from, or up to, the date control passes.

The Company has taken advantage of the exemption granted by Section 408 of the Companies Act 2006 from presenting its own Income Statement. The profit generated by the Company is disclosed under the Company Statement of Financial Position.

1 ACCOUNTING POLICIES (*continued*)

c Goodwill

When the fair value of the consideration for an acquired undertaking exceeds the fair value of its separable net assets, the difference is treated as purchased goodwill and is recognised as an asset at cost and reviewed for impairment annually. Any impairment is recognised immediately in the Consolidated Income Statement and is not reversed in subsequent years.

Where the fair value of the separable net assets exceeds the fair value of the consideration for an acquired undertaking the difference is credited to the Consolidated Income Statement in the year of acquisition.

d Impairment of intangible assets

Assets that have an indefinite useful life are not subject to amortisation and are reviewed for impairment annually and when there are indications that the carrying value may not be recoverable. Assets that are subject to amortisation are reviewed for impairment wherever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount. A reversal of impairment is recognised when the carrying amount of the asset is exceeded by its recoverable amount to the extent of previous impairments made. The recoverable amount is the higher of the fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

The amortisation on those intangible assets that do not have an indefinite useful life is charged to net operating expenses in the Income Statement and is calculated as follows:

Patents and licenses	– 2 to 10 years straight line

e Property, plant and equipment

Property, plant and equipment is stated at cost of purchase or valuation, net of depreciation and any impairment provision.

Freehold land	– not depreciated
Freehold buildings	– 25 to 50 years straight line
Vehicles	– 4 to 20 years straight line
Plant and machinery	– 4 to 20 years straight line
Computers	– 3 to 8 years straight line
Right-of-use assets	– Straight line over the lease term

Revaluations of land and buildings are made when there are indicators that the value has fallen below the book value in the accounts. The Group holds a number of properties which have been valued at varying intervals over the past 10 years. Independent valuers have been consulted for the purpose of determining these valuations.

1 ACCOUNTING POLICIES (*continued*)

f Investment properties

Freehold land and buildings are transferred to investment property when they are no longer used to facilitate the principal activity of the Group. At this point, they are transferred at fair value to investment property, with any revaluations required recognised in the revaluation reserve. Following the transfer, any subsequent revaluations are recognised in the income statement.

Investment properties are properties which are held to earn rental income and/or for capital appreciation. Investment properties are measured at fair value which reflects market conditions at the statement of financial position date. Any gains or losses arising from changes in fair value are recognised in the income statement in the period in which they arise. Fair value is derived from expected rental yields that can be gained from the property, net of associated costs where relevant.

Rental income from investment property is accounted for as other income.

In accordance with IAS 40 'Investment Property', no depreciation is provided in respect of investment properties.

g Financial instruments

Financial assets and financial liabilities are recognised in the Consolidated Statement of Financial Position when the Group becomes a party to the contractual provisions of the instrument.

Trade receivables and contract assets
Trade receivables and contract assets do not carry any interest and are initially measured at their fair value, and subsequently at their amortised cost, as reduced by appropriate allowances for estimated irrecoverable amounts. Trade receivables are impaired when the asset meets one of the following criteria:

a) The financial asset is credit-impaired; or

b) Credit losses are expected on the asset. Any loss allowance relating to trade receivables has been calculated with reference to historical experience in the recoverability of such receivables, taking into consideration current conditions and forecasts of future economic conditions.

Borrowings
Interest-bearing loans and overdrafts are recorded initially when the proceeds are received. Finance charges are accounted for at amortised cost using the effective interest rate method.

Trade payables
Trade payables are non-interest bearing and are initially measured at their fair value and subsequently at their amortised cost.

1 ACCOUNTING POLICIES (*continued*)

h Investments

Investments represent the Parent Company's holdings in its subsidiaries and are presented as non-current assets and stated at cost less any impairment in value. Any impairment is charged to the Company Income Statement.

i Inventories and work in progress

Inventories are valued at the lower of cost and net realisable value. Cost is calculated as follows:

Raw materials and consumables	– cost of purchase on first in, first out basis.
Finished goods	– cost of raw materials and labour together with attributable overheads.
Work in progress	– cost of raw materials and labour together with attributable overheads.

Net realisable value is based on estimated selling price less further costs to completion and disposal.

j Revenue recognition

Revenue from construction contracts

Revenue is recognised in accordance with the transfer of promised goods or services to customers (i.e. when the customer gains control of the good/service), and is measured as the consideration which the Group expects to be entitled to in exchange for those goods or services. Consideration is typically fixed on the agreement of a contract. Payment terms are agreed on a contract by contract basis.

Contracts include promises to transfer goods and/or services to a customer (i.e. "performance obligations") which are typically indistinct and hence are accounted for together in a single performance obligation. Where multiple performance obligations exist within one contract, the transaction price is allocated between each performance obligation on the basis of past experience, with reference to stand-alone selling prices of each component.

A good or service is distinct if the customer can benefit from the good or service on its own or together with other resources that are readily available to the customer and the entity's promise to transfer the good or service to the customer is separately identifiable from other promises in the contract.

The group recognises revenue when (or as) it satisfies a performance obligation by transferring a promised good or service to a customer. A performance obligation is satisfied over time when the vendor's performance creates an asset with no alternative use for the vendor and the customer has an obligation to pay the vendor for performance to date.

The above-mentioned criterion is commonly met for the Claudius Peters and Piller sub-groups as their trade involves the building of highly specific machinery, and hence revenue is recognised over time.

1 ACCOUNTING POLICIES *(continued)*

j Revenue recognition *(continued)*

The Group uses either output methods or input methods to measure the progress towards completion of a performance obligation satisfied over time, depending on which method is considered to faithfully depict the entity's performance.

Output methods recognise revenue on the basis of direct measurement of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. The output method used by Group companies is based on milestones reached.

Input methods recognise revenue on the basis of the entity's efforts or inputs to the satisfaction of a performance obligation relative to the total expected inputs to the satisfaction of that performance obligation. The input method used by Group companies is based on costs incurred to date.

If revenue is recognised over a period of time, the Group presents as a contract asset the gross amount due from customers for contract work for all contracts in progress for which costs incurred plus recognised profits (less recognised losses) exceeds progress billings. Progress billings not yet paid by customers and retentions (contract liabilities) are included within 'trade and other receivables'. The Group presents as a liability the gross amount due to customers for contract work for all contracts in progress for which progress billings exceed costs incurred plus recognised profits (less recognised losses). Contract asset and liability balances fluctuate due to the timing and mix of contracts held across the Group.

Contracts are deemed to be complete, and hence performance obligations fully satisfied, post customer acceptance of the goods. Amounts disclosed as current deferred income reflect revenue that will be recognised on performance obligations that will be satisfied within a year.

Sale of goods

The ARO, Manroland, Marelli and Druck Chemie sub-groups recognise revenue at the point in time that goods are transferred to a customer, which is the point in time that the customer gains control of the goods. This is due to the nature of goods being fairly standardised and hence specific contract accounting does not apply.

Revenue from standalone maintenance and service contracts across all subgroups is recognised over the time-period spanned by the contract, as this is considered to best depict the customer's consumption of the benefit of this arrangement. Standard warranties included within contracts are accounted for in accordance with note 1r.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, as of the end of the reporting period is disclosed as orders on hand in the strategic report. This revenue will be recognised in the next accounting period.

1 ACCOUNTING POLICIES *(continued)*

k Taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Deferred income tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the Accounts. Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised. Deferred tax has been calculated at the rate expected to apply at the time at which temporary differences are forecast to reverse, based on tax rates which have been substantively enacted at the statement of financial position date.

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

l Foreign currencies

Transactions and balances

The functional currency of the companies in the group is the currency of the primary economic environment in which it operates. Transactions in currencies other than the entities functional currency (foreign currencies) are recorded at the rates of exchange prevailing on the dates of the transactions. At each year end, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at the year end. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period.

Accounts of overseas operations

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken to other comprehensive income.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

Preparation of Financial Statements

These Financial Statements have been presented in euro because the majority of the Group's trade is conducted in this currency. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Assets and liabilities are translated at the closing exchange rate. Exchange differences arising are classified as equity and transferred to a separate component of equity.

The average exchange rate during the year was €1.17 (2020 – €1.12, 2019 – €1.14) to the Pound Sterling. The opening exchange rate was €1.10 (2020 – €1.17, 2019 – €1.11) to the Pound Sterling and the closing exchange rate was €1.19 (2020– €1.10, 2019 – €1.17) to the Pound Sterling.

1 ACCOUNTING POLICIES *(continued)*

m Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short-term deposits with banks and similar financial institutions with a maturity of six months or less, and bank overdrafts.

n Post-employment benefit obligations

For defined benefit post-employment schemes, the difference between the fair value of the scheme assets (if any) and the present value of the scheme liabilities is recognised as an asset or liability in the Statement of Financial Position.

Any asset recognised is restricted, if appropriate, to the present value of any amounts the Group expects to recover by way of refunds from the plan or reductions in future contributions. Re-measurements of the net surplus/ deficit arising in the year are taken to the Statement of Comprehensive Income.

Other movements in the net surplus or deficit are recognised in the Income Statement, including the current service cost and any past service cost. The net interest cost on the net defined benefit liability is also charged to the Income Statement. The amount charged to the Income Statement in respect of these schemes is included within operating costs. Any changes required following the Guaranteed Minimum Pension (GMP) equalisation, which is determined by a third-party actuary, are charged or credited to the Income Statement.

The most significant assumptions used in accounting for pension schemes are the discount rate and the mortality assumptions. The discount rate is used to determine the interest cost and net present value of future liabilities. The discount rate used is the yield on high quality corporate bonds with maturity and terms that match those of the post-employment obligations as closely as possible. Where there is no developed corporate bond market in a country, the rate on government bonds is used. Each year, the unwinding of the discount on the net liabilities is charged to the Consolidated Income Statement as the interest cost. The mortality assumption is used to project the future stream of benefit payments, which is then discounted to arrive at a net present value of liabilities.

Valuations of liabilities are carried out using the projected unit method.

The values attributed to scheme liabilities are assessed in accordance with the advice of independent qualified actuaries.

The Group's contributions to defined contribution pension schemes are charged to the Income Statement in the period to which the contributions relate.

o Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain as asset of a similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

1 ACCOUNTING POLICIES *(continued)*

o Leases *(continued)*

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss at constant periodic rate over the term of the lease.

Right-of-use assets are depreciated over the shorter of the assets useful life and the lease term (including any reasonably certain extension options) on a straight-line basis.

Short term leases for which the underlying asset is of low value (less than €5,000) are expensed on a straight-line basis.

On adoption of the standard, the Group elected not to reassess whether a contract is, or contains a lease at the date of initial application.

p Rental income from investment properties

Rental income from investment properties is credited to the Consolidated Income Statement on a straight line basis over the lease term.

q Provisions

A provision is recognised in the Consolidated Statement of Financial Position when the Group has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability.

The Group provides warranties to cover rectifications for certain products. A warranty provision is recognised at the point that the sale is complete and such a clause is included in the sales contract. Management value these provisions in line with the clauses in the contract and use historical warranty claim data is used to guide assumptions about future warranty claims. The provision is released when either the warranty works are completed, or the legal obligation expires. Discounting is not applied to these provisions as the directors do not consider this to be material.

Other provisions consist of restructuring provisions, onerous contracts and other smaller claims. Restructuring provisions are recognised at the point that there is a constructive, or legal, obligation. These are valued based on the costs attributable to the related restructure, including redundancies and relocation costs. Any changes in the plan to restructure are recognised as additions to the provisions.

Onerous contracts are recognised when management identify that an agreement will be loss making to the Group. These are valued based on the excess costs that the Group expect to incur to fulfil its obligations, these include labour and other materials that the Group expects to incur.

1 ACCOUNTING POLICIES *(continued)*

r Dividend policy

Dividend distribution to the Company's Shareholder is recognised as a liability in the Group's Accounts in the period in which the dividends are approved by the Company's directors.

s Research and development

Research expenditure is charged to the Income Statement in the period in which it is incurred. Development expenditure is capitalised when the criteria for recognising an asset is met. Other development expenditure is recognised in the Income Statement as incurred.

t Government grants

Government grants are initially recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received. Grants are recognised as income to match the related costs, for which they are intended to compensate, on a systematic basis.

u Critical accounting judgements and key sources of estimation uncertainty

The preparation of the Accounts in conformity with IFRS requires management to make estimates and judgements that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the date of the Accounts. The areas where the most judgement and estimation are required are highlighted below:

Critical accounting judgements

i Revenue recognition

Revenue is recognised in accordance with the satisfaction of performance obligations. A performance obligation is satisfied over time, and hence revenue is recognised over time, when an asset is created with no alternative use for the vendor. This requires the application of judgement to determine whether the asset is sufficiently specialised that it would have no alternative use.

The input method used by the Group to measure the amount of revenue to be recognised is based on costs incurred to date relative to total expected costs, which requires significant judgement. Contracts can be highly bespoke and hence historical cost information is not always useful in estimating future costs. Revenue recognised from construction contracts in the year totalled €144,499,000. The Group's policies for the recognition of revenue and profit are set out above.

Key sources of estimation uncertainty

i Freehold land and building valuation

Determining the fair value of freehold land and building requires significant estimates to be made, with reference to third party information and market conditions. The valuation of freehold land and buildings is disclosed in note 13.

1 ACCOUNTING POLICIES *(continued)*

u Critical accounting judgements and key sources of estimation uncertainty *(continued)*

ii Fair value of assets and liabilities on acquisition

Determining the fair value of assets and liabilities acquired, including any intangible assets, requires estimates to be made with reference to market conditions and third-party information. The fair value of assets and liabilities acquired is detailed in note 11.

iii Pensions

The determination of the pension cost and defined benefit obligation of the Group's defined benefit pension schemes depends on the selection of certain assumptions which include the discount rate, inflation rate, salary growth and mortality. Differences arising from actual experiences or future changes in assumptions will be reflected in subsequent periods. See note 9 for further details.

iv Property, plant and equipment depreciation

The property, plant and equipment used within the Group have estimated service lives of between 3 and 20 years, with the exception of property which has an estimated service life of 50 years, and the depreciation charge is clearly sensitive to the lives allocated to the various types of asset.

v Impairment of assets

Property, plant and equipment, and intangible assets are reviewed for impairment if events or changes in Property, plant and equipment, and intangible assets are reviewed for impairment if events or changes in circumstances indicate that the carrying amount may not be recoverable. When a review for impairment or reversal of impairment is conducted, the recoverable amount of an asset or a cash-generating unit is determined based on value- in-use calculations prepared on the basis of management's assumptions and estimates.

vi Income taxes

The Group is subject to income taxes in numerous jurisdictions. Significant estimation is required in determining the provision for income taxes in each territory. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts which were initially recorded, such differences will impact the income tax and deferred tax provision in the period to which such determination is made. See notes 10 and 28 for further information.

vii Provisions

Provision is made for liabilities that are uncertain in timing or amount of settlement. These include provision for rectification and warranty claims. Calculations of these provisions are based on cash flows relating to these costs estimated by management supported by the use of external consultants where needed and discounted at an appropriate rate where the impact of discounting is material. See note 22 for details.

2 REVENUE

An analysis of the Group's revenue between each significant category is as follows:

	2021 €'000	2020 €'000
Revenue from construction contracts	144,499	135,619
Sale of goods	670,128	631,159
	814,627	766,778

Contract assets recognised are disclosed in note 18 and contract liabilities are disclosed in note 21.

An analysis of the Group's revenue between each subgroup is as follows:

	2021 €'000	2020 €'000
Manroland Sheetfed	212,711	214,718
Piller	176,452	171,758
ARO	87,451	71,414
Claudius Peters	77,777	80,247
Druck Chemie	88,195	59,424
Marelli	90,585	98,180
Other businesses	81,456	71,037
	814,627	766,778

Information regarding the nature of revenue derived from the above subgroups is provided in note 1.

3 ANALYSIS OF NET OPERATING EXPENSES

	2021 €'000	2020 €'000
Distribution costs	57,224	54,264
Administrative expenses	160,070	161,802
Other operating income	(14,620)	(10,644)
Gain on revaluation of investment properties	(7,740)	(3,356)
Other gains (note 11)	(78,013)	–
Net operating expenses	116,921	202,066

4 OPERATING PROFIT

	2021 €'000	2020 €'000
Operating profit has been arrived at after charging:		
Directors' emoluments (note 7)	691	1,134
Depreciation of owned assets (note 13)	17,903	20,036
Depreciation of right-of-use assets (note 13)	2,467	3,823
(Reversal of impairment) / impairment of owned assets (note 13)	(1,805)	5,611
Amortisation of intangibles (note 12)	2,052	850
Impairment of intangibles (note 12)	–	1
Government grants	(5,967)	(10,252)
Research and development costs	8,040	7,120
Profit on sale of property, plant and equipment	(262)	(810)
Profit on disposal of assets held for sale	–	(500)
Fees payable to the Group's auditor for the audit of the Group's Accounts	159	131
Fees payable to the Group's auditor and its associates for other services		
– the auditing of Subsidiary Accounts	1,196	1,212
– other services relating to taxation compliance	139	180
– all other services	248	138
Impairment of trade receivables	1,806	885
Impairment of inventories	1,164	1,611
Cost of inventories recognised as an expense (included in cost of sales)	343,156	375,766
Other gains (note 11)	(78,013)	–
Net (loss) on foreign currency translation	(1,724)	(3,792)

Non-recurring expenses of €6,470,000 (2020 – €4,492,000) were included in the Consolidated Income Statement relating to the reorganisation and reconstruction of the Malaysian operations.

Government grants include amounts received under the UK Government's Coronavirus Job Retention Scheme and amounts received under similar schemes in other jurisdictions. These amounts have been set against wage and salary costs in net operating expenses.

5 **FINANCE INCOME**

	2021 €'000	2020 €'000
Bank interest receivable	240	1,041
	240	1,041

6 **FINANCE COSTS**

	2021 €'000	2020 €'000
Interest relating to lease liabilities	142	176
Other interest	273	366
	415	542

7 **KEY MANAGEMENT PERSONNEL COMPENSATION**

	2021 €'000	2020 €'000
Salaries and short-term employee benefits	776	1,204
Post-employment benefits	4	3
	780	1,207

All of the above key management personnel compensation relates to Directors and their close family members.

Directors' emoluments

	2021 €'000	2020 €'000
Aggregate emoluments as Directors of the Company	687	1,131
Value of Group pension contributions to money purchase schemes	4	3
	691	1,134
Emoluments of the highest paid Director	239	429
	No.	**No.**
Number of Directors who are accruing benefits under money purchase pension schemes	2	2

8 **EMPLOYEE NUMBERS AND COSTS**

The average number of persons employed by the Group (including Directors) during the year was as follows:

	2021 No.	2020 No.
Management, office and sales	2,160	2,323
Manufacturing and direct labour	2,117	2,407
	4,277	4,730

The aggregate payroll costs of these persons were as follows:

	2021 €'000	2020 €'000
Wages and salaries	224,597	215,067
Social security costs	49,953	46,305
Other pension costs	3,536	3,783
	278,086	265,155

The average number of persons employed by the Company (including Directors) during the year was as follows:

	2021 No.	2020 No.
Management, office and sales	25	26

The aggregate payroll costs of these persons were as follows:

	2021 €'000	2020 €'000
Wages and salaries	1,255	1,241
Social security costs	87	147
Other pension costs	72	50
	1,414	1,438

9 POST-EMPLOYMENT BENEFITS

The table below outlines where the Group's post-employment amounts and activity are included in the Accounts.

	2021 €'000	2020 €'000
Statement of financial position obligations for:		
Defined pension benefits	(10,868)	(10,660)
Post-employment medical benefits	(2,621)	(2,662)
Liability in the statement of financial position	(13,489)	(13,322)
Income statement (charge)/credit included in operating expenses for:		
Defined pension benefits	(489)	(285)
Post-employment medical benefits	133	132
	(356)	(153)
Re-measurements (charge)/credit for:		
Defined pension benefits	291	(229)
Post-employment medical benefits	32	–
	323	(229)

The income statement charge included within operating expenses includes current service costs, net interest costs and past service costs.

a) Defined benefit pension schemes

The Group operates defined benefit pension plans in the UK (one defined benefits scheme and one hybrid scheme) and Eurozone under broadly similar regulatory frameworks. All of the plans are final salary pension plans, which provide benefits to members in the form of a guaranteed level of pension payable for life. The level of benefits provided depends on members' length of service and their salary in the final years leading up to retirement. Pensions in payment are generally updated in line with inflation. The plans face broadly similar risks, as described below. UK benefit payments are from trustee-administered funds and Eurozone benefit payments are from unfunded plans where the Group meets the benefit payment obligation as it falls due. Assets held in UK trusts are governed by UK regulations and practice, as is the nature of the relationship between the Group and the trustees (or equivalent) and their composition. Responsibility for governance of the schemes – including investment decisions and contribution schedules – lies jointly with the Group and the boards of trustees. The boards of trustees must be composed of representatives of the Group and scheme participants in accordance with the schemes' regulations.

9 POST-EMPLOYMENT BENEFITS *(continued)*

a) Defined benefit pension schemes *(continued)*

The amounts recognised in the statement of financial position are determined as follows:

	2021 €'000	2020 €'000
Present value of funded obligations	(19,573)	(19,615)
Fair value of plan assets	21,512	18,898
Net surplus/(deficit) on funded plans	1,939	(717)
Present value of unfunded obligations	(10,295)	(9,920)
Total deficit of defined benefit pension plans	(8,356)	(10,637)
Impact of asset ceiling	(2,512)	(23)
Liability in the statement of financial position	(10,868)	(10,660)

The UK hybrid scheme has a surplus that is not recognised on the basis that future economic benefits are not available to the entity in the form of a reduction in future contributions or a cash refund.

The amount recognised in the income statement:

	2021 €'000	2020 €'000
Current service cost	444	337
Past service cost	–	(23)
Net interest cost	45	(29)
	489	285

The above amounts are included as an employee cost within net operating expenses.

9 POST-EMPLOYMENT BENEFITS *(continued)*

a) Defined benefit pension schemes *(continued)*

Re-measurement of the net defined benefit liability to be shown in other comprehensive income:

	2021 **€'000**	2020 **€'000**
Gain/(loss) from changes in financial assumptions	1,078	(2,138)
Gain/(loss) from changes in demographic assumptions	140	(11)
Experience gains/(losses)	123	(7)
Return on assets, excluding interest income	1,319	790
Exchange adjustments	85	–
Change in the effect of the asset ceiling excluding interest income	(2,454)	1,137
	291	(229)

Changes in present value of obligations:

	2021 **€'000**	2020 **€'000**
Present value of obligations at start of the year	(29,535)	(29,271)
On acquisition	(1,050)	–
Current service cost	444	337
Past service cost	–	(23)
Interest cost	(197)	(371)
Acturial (loss)/gain on scheme liabilities based on:		
- Changes in financial assumptions	1,078	(2,138)
- Changes in demographic assumptions	140	(11)
- Experience gains	124	(7)
- Benefits paid	644	825
Plan contributions	(9)	–
Exchange differences	(1,507)	1,124
Present value of obligation at end of the year	(29,868)	(29,535)

9 POST-EMPLOYMENT BENEFITS *(continued)*

a) Defined benefit pension schemes *(continued)*

Changes in the fair value of scheme assets:

	2021 **€'000**	2020 **€'000**
Fair value of scheme assets at the start of the year	18,898	19,266
Interest income	237	362
Re-measurement of scheme assets	1,319	790
Contributions by employers	79	76
Benefits paid	(560)	(501)
Exchange differences	1,539	(1,095)
Fair value of scheme assets at the end of the year	21,512	18,898

The significant actuarial assumptions were as follows:

	2021		2020	
	UK	**Eurozone**	**UK**	**Eurozone**
Rate of increase in salaries	–	1.83%	–	1.83%
Discount rate	1.80-1.90%	0.80-1.63%	1.20%	0.50-1.63%
Inflation	3.50-4.20%	1.40-1.63%	3.10%	1.40-1.63%

The inflation assumption shown for the UK is for the Retail Price Index. The assumption for the Consumer Price Index at 31 December 2021 was 2.5-3.4%.

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into an average life expectancy in years for a pensioner retiring at age 65:

	2021	2020
Retiring at the end of the reporting period:		
Male	22 years	22 - 23 years
Female	24 - 25 years	24 years
Retiring 20 years after the end of the reporting period:		
Male	23 - 24 years	23 - 24 years
Female	26 years	26 years

9 POST-EMPLOYMENT BENEFITS *(continued)*

a) Defined benefit pension schemes *(continued)*

The sensitivity of the defined benefit obligation to changes in the weighted principal assumptions is:

	Change in assumption	Increase in assumption	Decrease in assumption
Discount rate	0.25%	Decrease obligation by 3.0 – 3.9%	Increase obligation by 3.0 – 3.9%
Inflation	0.25%	Increase obligation by 0.1 – 2.4%	Decrease obligation by 0.1 – 2.4%
Life expectancy	1 year	Increase obligation by 4.7 – 4.8%	Decrease obligation by 4.7 – 4.8%

The above sensitivity analyses are based on a change in an assumption while holding all other assumptions constant. In practice, this is unlikely to occur, and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied as when calculating the pension liability recognised within the statement of financial position.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

b) Post-employment medical benefits

The Group operates a post-employment medical benefit scheme in the US. This scheme is unfunded. The method of accounting, significant assumptions and the frequency of valuations are similar to those used for defined benefit pension schemes set out above with the addition of actuarial assumptions relating to the long-term increase in healthcare costs of 3.0% a year and claim rates of 5.5%.

The amounts recognised in the statement of financial position are determined as follows:

	2021 **€'000**	2020 **€'000**
Present value of unfunded obligations	(2,621)	(2,662)
Liability in the statement of financial position	(2,621)	(2,662)

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9 POST-EMPLOYMENT BENEFITS *(continued)*

b) Post-employment medical benefits *(continued)*

Changes in the present value of defined benefit obligations:

	2021 **€'000**	2020 **€'000**
Present value of obligation at the start of the year	(2,662)	(2,929)
The amount recognised in the income statement:		
Current service cost	(121)	(118)
Past service cost	4	–
Interest expense	(16)	(15)
	(133)	(133)
Re-measurements of the net defined benefit liability to be shown in other comprehensive income:		
Gain from change in demographic assumptions	61	3
gain/(loss) from change in financial assumptions	(29)	(3)
	32	–
Other movement	18	15
Payments from scheme contributions – benefit payments	206	227
Exchange differences	(82)	158
Present value of obligations at the end of the year	(2,621)	(2,662)

c) Post-employment benefits (pension and medical)

Schemes' assets are comprised as follows:

	2021		2020	
	Total **€'000**	%	Total **€'000**	%
Equity instruments	**14,791**	**69%**	**11,653**	**62%**
Equities and equity funds	6,048		4,882	
Diversified growth fund	8,743		6,771	
Debt instruments	**2,488**	**11%**	**6,503**	**34%**
Government	41		4,221	
Corporate bonds (investment grade)	2,447		2,282	
Other	4,084	19%	203	1%
Cash and cash equivalents	149	1%	539	3%
Total	21,512	100%	18,898	100%

9 **POST-EMPLOYMENT BENEFITS *(continued)***

c) **Post-employment benefits (pension and medical) *(continued)***

Through its defined benefit pension schemes and post-employment medical plans, the Group is exposed to a number of risks, most of which are detailed below:

Asset volatility: The schemes' liabilities are calculated using a discount rate set with reference to corporate bond yields; if scheme assets underperform this yield, this will create a deficit. The UK schemes hold a significant proportion of equity instruments, which are expected to outperform corporate bonds in the long-term while providing volatility and risk in the short-term.

The Group has reduced the level of investment risk by investing in assets that better match the liabilities. This has been done by the purchase of a mixture of government and corporate bonds. The government bonds represent investments in UK government securities only. The corporate bonds are global securities with an emphasis on the UK.

Changes in bond yield: A decrease in corporate bond yields will increase scheme liabilities, although this will be partially offset by an increase in the value of the schemes' bond holdings.

Inflation risk: Some of the Group pension obligations are linked to inflation, and higher inflation will lead to higher liabilities (although, in most cases, caps on the level of inflationary increases are in place to protect the schemes against extreme inflation). The majority of the schemes' assets are either unaffected by (fixed interest bonds) or loosely correlated with (equities) inflation, meaning that an increase in inflation will also increase the deficit.

Life expectancy: The majority of the schemes' obligations are to provide benefits for the life of the member, so increase in life expectancy will result in an increase in the scheme's liabilities. This is particularly significant in the UK schemes, where inflationary increases result in higher sensitivity to changes in life expectancy.

In case of the Eurozone defined benefit scheme, the Group ensures that the investment positions are managed within an asset-liability matching (ALM) framework that has been developed to achieve long-term investments that are in line with the obligations under the scheme. Within this framework, the Group's ALM objective is to match assets to the pension obligations by investing in long-term fixed interest securities with maturities that match the benefit payments as they fall due. The UK hybrid scheme currently has no asset-liability matching strategy. The Group has not changed the processes used to manage its risks from previous periods. The Group does not use derivatives to manage its risk. Investments are well diversified, such that the failure of any single investment would not have a material impact on the overall level of assets. A large portion of assets in 2021 consist of equities and bonds, although the Group also invests in property, liability-driven investments and cash.

The last triennial valuations were due to be completed as at 5 April 2021 and 31 July 2021 for the defined benefits scheme and hybrid scheme respectively. The valuation for the defined benefits scheme is still ongoing as of the reporting date. The Group considers that the contribution rates set at the last valuation date are sufficient to eliminate the deficit over the agreed period.

9 **POST-EMPLOYMENT BENEFITS *(continued)***

c) **Post-employment benefits (pension and medical) *(continued)***

Expected contributions to post-employment benefit schemes for the year ending 31 December 2022 are €79,347. The weighted average duration of the defined benefit obligation is 15 years.

(d) **Post-employment benefits (defined contribution schemes)**

Contributions to defined contribution pension schemes, whereby the scheme assets and liabilities are held separately from those of the Group, totalled €3,054,000 (2020– €2,640,000).

10 **INCOME TAX EXPENSE**

(a) Charge for the year	2021	2020
	€'000	**€'000**
Current income tax:		
UK corporation tax at 19% (2019 – 19%)	2,135	3,850
Overseas tax	13,871	14,430
Adjustments to prior year UK tax	695	31
Adjustments to prior year overseas tax	(1,094)	(966)
Other	25	–
Total current taxation	15,632	17,345
Deferred income tax:		
Movement in overseas deferred tax	5,966	(10,612)
Movement in UK deferred tax	172	(496)
Total deferred taxation	6,138	(11,108)
Income tax expense	21,770	6,237

10 INCOME TAX EXPENSE *(continued)*

(b) Factors affecting tax expense

	2021 €'000	2020 €'000
Profit before taxation	128,240	24,047
Profit before taxation multiplied by the standard rate of tax of 19% (2018 – 19 %)	24,366	4,569
Expenses not deductible for tax purposes	2,073	1,062
Effect of foreign tax rates	(2,622)	(4,340)
Utilisation of brought forward losses	–	(799)
Deferred tax assets not recognised	16,704	10,025
Income not taxable	(17,121)	–
Other overseas taxes	3,653	3,675
Adjustment to tax charge in previous period	(388)	(1,196)
Timing differences	(4,845)	(7,414)
Exchange adjustment	(50)	655
Tax expense	21,770	6,237

(c) Factors that may affect future tax charges

The Group had UK tax losses of approximately €6,644,000 at 31 December 2021 (2020 – €6,320,000) available for carry forward against future trading profits. In addition, the Claudius Peters Group had overseas tax losses of approximately €8,674,000 at 31 December 2021 (2020 – €6,646,000), the Manroland Group €182,748,000 (2020 – €171,296,000), the Druck Chemie Group €6,254,000 (2020 – €6,451,000), the Bradman Lake Group €397,000 (2020 – €1,403,000), the Piller Group €nil (2020 – €2,194,000) the Marelli Group €66,710,000 – (2020 –€57,013,000) and the Bergen Engines Group €174,815,000 available for carry forward against future trading profits of that Group.

(d) Impact of future tax rate changes

The UK corporate tax rate is legislated to increase to 25% for companies above the small profits threshold from 1 April 2023, as introduced in the Finance Bill 2021, published on 11 March 2021

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11 ACQUISITIONS DURING THE PERIOD

On 31 December 2021, Langley Holdings Plc purchased 100% of the share capital of Bergen Engines AS. The acquisition of Bergen Engines AS enables the Group to provide complementary goods and services to the Group's existing similar markets in addition to rapidly developing the Group's microgrid power generation sector, an area central to Langley's net zero strategy.

The acquisition had the following effect on the Group's assets and liabilities:

	Book value of net assets acuired €'000	Fair value adjustments €'000	Fair value of net assets acquired €'000
Identifiable intangible assets	2,008	(2,005)	3
Cash & cash equivalents	34,896	–	34,896
Inventories	100,460	–	100,460
Property, plant and equipment	43,868	70,843	114,711
Other financial assets	78,033	–	78,033
Deferred tax assets	987	–	987
Financial liabilities (current)	(106,060)	–	(106,060)
Financial liabilities (non-current)	(6,065)	–	(6,065)
Provisions	(30,434)	–	(30,434)
Deferred tax liabilities	(145)	(15,585)	(15,730)
Net income tax liabilities	(209)	–	(209)
Defined benefit scheme obligations	(1,050)	–	(1,050)
Total identifiable net assets acquired and liabilities assumed	**124,195**	**53,252**	**169,542**
Gain on bargain purchase	(24,761)	(53,252)	(78,013)
Total cash consideration	**91,529**	**–**	**91,529**

The bargain purchase arose as the tangible fixed assets acquired were fully depreciated or impaired by their previous owners. The gain, after recognition of the fair value of the assets and liabilities acquired, was recognised as "other gains" in net operating expenses.

The material fair value adjustments were made to uplift the valuation of land and buildings following an external valuation and provide for deferred tax. The final consideration may be subject to a working capital adjustment under the share purchase agreement.

Had the acquisition occurred on 1 January 2021, Bergen Engines AS would have contributed revenue of €250,000,000 and a loss before tax of €10,600,000 (before impairment reversal) to the wider group results. This result excludes the fair value adjustments.

12 INTANGIBLE ASSETS

GROUP	Positive Goodwill €'000	Patents and Licences €'000	Customer Contracts €'000	Total €'000
Cost				
At 1 January 2021	10,274	10,499	5,646	26,419
Additions	–	878	–	878
Disposal	(342)	(515)	–	(857)
On acquisition	–	246	–	246
Exchange adjustment	190	28	–	218
At 31 December 2021	10,122	11,136	5,646	26,904
Aggregate impairment and amortisation				
At 1 January 2021	–	8,747	–	8,747
Amortisation charge for the year	–	923	1,129	2,052
Disposal	–	(475)	–	(475)
On acquisition	–	243	–	243
Exchange adjustment	–	45	–	45
At 31 December 2021	–	9,483	1,129	10,612
Net book values				
At 31 December 2021	10,122	1,653	4,517	16,292
At 31 December 2020 as restated	10,274	1,752	5,646	17,672
Cost				
At 1 January 2020	2,535	10,421	–	12,956
Additions	–	219	–	219
Disposal	–	(12)	–	(12)
On acquisition	7,984	2	5,646	13,632
Exchange adjustment	(245)	(131)	–	(376)
At 31 December 2020 as restated	10,274	10,499	5,646	26,419

12 INTANGIBLE ASSETS *(continued)*

Aggregate impairment and amortisation				
At 1 January 2020	–	7,953	–	7,953
Amortisation charge for the year	–	850	–	850
Disposal	–	(4)	–	(4)
Impairment	–	1	–	1
On acquisition	–	2	–	2
Exchange adjustment	–	(55)	–	(55)
At 31 December 2020 as restated	–	8,747	–	8,747
Net book values				
At 31 December 2020 as restated	10,274	1,752	5,646	17,672
At 31 December 2019	2,535	2,468	–	5,003

Prior year restatement

In the previous year, the group acquired BluePrint Products NV and Hi-Tech Chemicals BV which resulted in goodwill totaling €15,920,000. Following this acquisition, the directors determined that customer contracts in place at the date of acquisition within BluePrint Products NV represented a separable intangible asset. Using the information available at the date of acquisition, the directors have remeasured goodwill to separate out this intangible asset. The directors determined these customer contracts held a value of €5,646,000 which was based upon the future net contribution of these contracts over the subsequent 5-year period, which is determined to be their useful economic life. This remeasurement did not impact either the net assets or profit of the 2020 year end. The affected financial statement line items for the prior period have been restated as follows:

Statement of financial position extract

	Group 2020 €'000	Adjustment €'000	Restated Group €'000
Intangible assets - goodwill	15,920	(5,646)	10,274
Intangible assets – customer contracts	–	5,646	5,646
Total	15,920	–	15,920

13 PROPERTY, PLANT AND EQUIPMENT

GROUP	Freehold Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2021	200,229	151,542	56,162	18,771	426,704
Additions – right-of-use assets	13,015	–	10	–	13,025
Additions – owned assets	312	4,014	3,117	1,136	8,579
On acquisition	102,064	68,538	2,013	25,465	198,080
Disposals	(2,280)	(9,909)	(2,509)	(2,096)	(16,794)
Reclassification	–	(32)	(56)	88	–
Revaluation	754	–	–	–	754
Exchange adjustments	5,058	3,036	3,410	854	12,358
At 31 December 2021	319,152	217,189	62,147	44,218	642,706
Depreciation					
At 1 January 2021	66,291	94,693	30,059	16,322	207,365
Charge for the year – owned assets	4,180	8,440	4,188	1,095	17,903
Charge for the year – right-of-use assets	2,433	13	21	–	2,467
Reversal of impairment	–		(1,812)	–	(1,812)
On acquisition	17,582	39,848	772	25,167	83,369
Disposals	(1,869)	(6,276)	(2,220)	(2,059)	(12,424)
Reclassification	–	(40)	(50)	90	–
Exchange adjustments	1,542	1,474	1,699	388	5,103
At 31 December 2021	90,159	138,152	32,657	41,003	301,971
Net book amount					
At 31 December 2021	228,993	79,037	29,490	3,215	340,735
At 31 December 2020	133,938	56,849	26,103	2,449	219,339

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13 PROPERTY, PLANT AND EQUIPMENT *(continued)*

GROUP	Freehold Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2020	199,985	154,890	59,106	18,531	432,512
Adjustments – right-of-use assets	1,829	500	11	27	2,367
Additions	306	3,554	2,098	669	6,627
On acquisition	2,259	–	94	–	2,353
Disposals	(543)	(3,024)	(2,389)	(172)	(6,128)
Transfers	(1,387)	–	–	–	(1,387)
Exchange adjustments	(2,220)	(4,378)	(2,758)	(284)	(9,640)
At 31 December 2020	200,229	151,542	56,162	18,771	426,704
Depreciation					
At 1 January 2020	59,510	91,290	24,174	16,002	190,976
Charge for the year – owned assets	4,815	9,221	5,050	950	20,036
Charge for the year – right-of-use assets	3,805	3	15	–	3,823
Impairment	497	1,019	4,095	–	5,611
Disposals	(556)	(3,018)	(2,070)	(169)	(5,813)
On acquisition	243	–	65	–	308
Transfers	(1,113)	–	–	–	(1,113)
Exchange adjustments	(910)	(3,822)	(1,270)	(461)	(6,463)
At 31 December 2020	66,291	94,693	30,059	16,322	207,365
Net book amount					
At 31 December 2020	133,938	56,849	26,103	2,449	219,339
At 31 December 2019	140,475	63,600	34,932	2,529	241,536

13 PROPERTY, PLANT AND EQUIPMENT *(continued)*

COMPANY	Freehold Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2021	18,660	7,076	2,260	366	28,362
Additions	–	107	101	6	214
Disposals	–	(11)	(339)	(4)	(354)
Exchange adjustments	1,596	557	189	19	2,361
At 31 December 2021	20,256	7,729	2,211	387	30,583
Depreciation					
At 1 January 2021	4,615	4,152	1,747	320	10,834
Disposals	–	(11)	(312)	(4)	(327)
Charge for the year – owned assets	655	612	282	48	1,597
Exchange adjustments	503	385	153	(27)	1,014
At 31 December 2021	5,773	5,138	1,870	337	13,118
Net book amount					
At 31 December 2021	14,483	2,591	341	50	17,465
At 31 December 2020	14,045	2,924	513	46	17,528
Cost or valuation					
At 1 January 2020	19,781	7,427	2,908	364	30,480
Additions	–	69	215	67	351
Disposals	–	–	(706)	(45)	(751)
Exchange adjustments	(1,121)	(420)	(157)	(20)	(1,718)
At 31 December 2020	18,660	7,076	2,260	366	28,362

13 PROPERTY, PLANT AND EQUIPMENT *(continued)*

COMPANY	Freehold Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Depreciation					
At 1 January 2020	4,240	3,790	2,104	340	10,474
Disposals	–	–	(657)	(45)	(702)
Charge for the year – owned assets	630	587	415	41	1,673
Exchange adjustments	(255)	(225)	(115)	(16)	(611)
At 31 December 2020	4,615	4,152	1,747	320	10,834
Net book amount					
At 31 December 2020	14,045	2,924	513	46	17,528
At 31 December 2019	15,541	3,637	804	24	20,006

A number of the freehold land and buildings owned by the Group have been revalued at varying intervals over the past 10 years by independent valuers not connected with the company on the basis of market value. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

If these assets had not been revalued they would have been included at the following historical cost amounts:

GROUP	2021 €'000	2020 €'000
Freehold land and buildings		
Cost	117,031	131,140
Aggregate depreciation and impairment	(52,463)	(52,617)

Included within plant and machinery are assets under construction totaling €396,000 (2020: €nil) which have not been depreciated. Included within freehold land and buildings is land with a carrying value of €15,362,000 (2020: €15,751,000) which is not depreciated.

The group undertakes an annual impairment assessment on its aircraft owing to the existence of impairment indicators. The valuation is assessed by third parties using parameters including aircraft type, age and total flying time. In the prior year, an impairment was recognised in order to align the valuation with this report. In the current year, the valuation determined that the market value of the aircraft had risen due to an increase in demand for private charter flights. The directors therefore reversed the impairment charge.

14 NON-CURRENT INVESTMENTS

	Group	Company
	Shares in unlisted undertakings	Shares in group undertakings
	€'000	€'000
COST		
At 1 January 2021	14	95,129
Additions	–	91,529
Exchange adjustment	–	9,104
At 31 December 2021	14	195,762
IMPAIRMENT		
At 1 January 2021	–	14,131
Charge for the year	–	6,293
Exchange adjustment	–	1,246
At 31 December 2021	–	21,670
CARRYING AMOUNT		
At 31 December 2021	14	174,092
At 31 December 2020	14	80,998

A list of unlisted subsidiary companies at 31 December 2021 is provided in note 39.

15 INVESTMENT PROPERTIES

	Group	
	2021	2020
	€'000	€'000
Balance at the beginning of the year	55,604	53,160
Additions	–	–
Disposals	–	(146)
Transfers (note 13)	–	274
Revaluation	7,740	3,356
Exchange adjustments	1,282	(1,040)
Balance at the end of the year	64,626	55,604

15 INVESTMENT PROPERTIES *(continued)*

	Company	
	2021	2020
	€'000	€'000
Balance at the beginning of the year	11,926	12,902
Additions	–	–
Transfers	–	–
Revaluation	–	–
Exchange adjustments	1,207	(976)
Balance at the end of the year	13,133	11,926

During the year, the group received rental income from their investment properties totaling €4,604,000 (2020 – €2,300,000).

16 NON-CURRENT TRADE AND OTHER RECEIVABLES

	Group	
	2021	2020
	€'000	€'000
Trade and other receivables	4,354	2,054
Other receivables	692	646
Pension scheme prepayment	658	572
	5,704	3,272

An analysis of provisions for bad and doubtful debts along with the ageing of trade receivables that were past due but not impaired is included within note 18

17 INVENTORIES

	Group		Company	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Raw materials	121,106	78,219	–	–
Work in progress	106,556	70,741	–	–
Finished goods	98,104	39,665	9	8
	325,766	188,625	9	8

18 CURRENT TRADE AND OTHER RECEIVABLES

	Group		Company	
	2021	2020	2021	2020
	€'000	**€'000**	**€'000**	**€'000**
Trade receivables	168,146	102,836	287	21
Retentions	3,740	4,854	–	–
Amounts recoverable on construction contracts	28,994	24,284	–	–
Amounts owed by Group undertakings	–	–	222,159	238,871
Directors' current accounts	615	574	615	574
Other receivables	17,950	9,673	3	1,209
VAT recoverable	7,596	4,577	503	427
Prepayments	30,373	12,602	347	372
	257,414	159,400	223,914	241,474

For terms and conditions relating to related party receivables, refer to note 32.

Trade and other receivables are disclosed net of provisions for bad and doubtful debts, an analysis of which is as follows:

	Group	
	2021	2020
	€'000	**€'000**
Balance at beginning of the year	12,645	13,213
On acquisition	3,346	–
Exchange differences	119	(5)
Charge for the year	17	322
Unused amounts reversed	(476)	(885)
Balance at end of the year	15,651	12,645

Trade receivables are non-interest bearing and are generally on 30 – 90 day terms.

The provision for bad and doubtful debts includes estimated potential credit losses.

18 CURRENT TRADE AND OTHER RECEIVABLES *(continued)*

At 31 December, the analysis of trade receivables that were past due but not impaired is as follows:

	Past due but not impaired				
	<30 days	31-60 days	61-90 days	91-120 days	>121 days
	€'000	**€'000**	**€'000**	**€'000**	**€'000**
Group					
2021	146,853	8,103	4,951	1,302	11,291
2020	45,604	5,542	3,390	2,328	9,453
Company					
2021	14	–	–	4	269
2020	21	–	–	–	–

19 CURRENT INCOME TAX RECOVERABLE

	Group		Company	
	2021	2020	2021	2020
	€'000	**€'000**	**€'000**	**€'000**
Income tax	7,281	5,960	3,686	3,136

20 CASH AND CASH EQUIVALENTS

	Group		Company	
	2021	2020	2021	2020
	€'000	**€'000**	**€'000**	**€'000**
Cash in hand, at bank and short term deposits	290,988	287,963	87,606	125,816

21 CURRENT TRADE AND OTHER PAYABLES

	Group		Company	
	2021	2020	2021	2020
	€'000	**€'000**	**€'000**	**€'000**
Trade payables	81,688	45,906	677	709
Other payables	14,981	8,682	24	509
Other taxes and social security	9,304	9,023	53	52
Accruals and deferred income	92,986	62,963	177	331
VAT payable	8,157	6,172	–	–
Amounts owed to Group undertakings	–	–	1,967	1,670
Payments on account	125,855	36,095	–	–
Amounts due on construction contracts	2,093	4,741	–	–
Directors' loan account	709	801	709	801
Lease liabilities	4,213	2,483	–	–
	339,986	176,866	3,607	4,072

22 PROVISIONS

GROUP	Warranty Provision	Other Provision	Total
	€'000	**€'000**	**€'000**
Balance at 1 January 2021	13,687	6,429	20,116
Additional provision recognised	10,709	2,338	13,047
Acquisition	17,339	13,095	30,434
Provision utilised during the year	(7,973)	(3,953)	(11,926)
Provision released during year	(2,243)	(625)	(2,868)
Foreign exchange difference	188	1	189
Balance at 31 December 2021	31,707	17,285	48,992
Current	30,807	16,380	47,187
Non-current	900	905	1,805

22 PROVISIONS *(continued)*

	Warranty Provision	Other Provision	Total
	€'000	**€'000**	**€'000**
Balance at 1 January 2020	12,414	5,291	17,705
Additional provision recognised	9,110	4,901	14,011
Acquisition	956	–	956
Provision utilised during the year	(5,633)	(3,578)	(9,211)
Provision released during year	(2,775)	(175)	(2,950)
Foreign exchange difference	(385)	(10)	(395)
Balance at 31 December 2020	13,687	6,429	20,116
Current	12,935	6,389	19,324
Non-current	752	40	792

The warranty provision is arrived at using estimates from historical warranty data. The other provision includes specific claims, redundancy and restructuring provisions. Following the acquisition of Bergen Engines AS, the group assumed the obligation to honour the warranties for previous sales, valued at €17,339,000.

Other provisions include €12,412,000 that was recognised on acquisition of Bergen Engines AS in relation related to a to onerous contracts, previously entered, that the group has the obligation to fulfil.

There were no provisions in the Company.

23 CURRENT INCOME TAX LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	€'000	**€'000**	**€'000**	**€'000**
Income tax	9,507	10,697	–	–

24 BORROWINGS

	Group	
	2021	2020
	€'000	**€'000**
Loans – current	56	721
Loans – non-current	117	177
Total	173	898

25 NON-CURRENT TRADE AND OTHER PAYABLES

	Group	
	2021	2020
	€'000	€'000
Trade payables	430	521
Accruals and deferred income	29,763	11,943
Other	60	–
Lease liabilities	18,093	5,749
	48,346	18,213

26 RETIREMENT BENEFIT OBLIGATIONS

GROUP	2021	2020
	€'000	€'000
At 1 January 2021	13,322	14,066
Ceiling opening balance	23	–
On acquisition	1,055	–
Total expense recognised in the Income Statement in the year	(356)	(153)
Actuarial losses/(gains) – financial assumptions	(1,049)	2,141
Actuarial gains – demographic assumptions	(201)	8
Actuarial (gains)/losses – experience	(124)	7
Return on assets	(1,319)	(811)
Interest expense	2	–
Changes in the effect of asset ceiling	2,467	(1,128)
Contributions paid	(88)	(63)
Payments from the plan	(290)	(580)
Exchange differences	47	(165)
At 31 December 2021	13,489	13,322

UK defined benefit pension schemes	–	229
Overseas unfunded defined benefit pension obligations	10,868	10,431
Overseas unfunded medical benefits obligations	2,621	2,662
Retirement benefit obligation in balance sheet	13,489	13,322

Notes to the Accounts (continued)
Year ended 31 December 2021

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27 NON-CURRENT TAX LIABILITIES

	Group		Company	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Other corporation tax overseas	1,219	–	–	–
	1,219	–	–	–

28 DEFERRED INCOME TAX

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority.

	Group		Company	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
Deferred tax assets	32,236	34,950	–	–
Deferred tax liabilities	(43,652)	(25,509)	(360)	(329)
	(11,416)	9,441	(360)	(329))

The net movement on the deferred income tax account is as follows:

	Group		Company	
	2021	2020	2021	2020
	€'000	€'000	€'000	€'000
At 1 January 2021	9,441	(1,919)	(329)	(305)
Income Statement (expense)/credit	(6,138)	11,108	(4)	(24)
On acquisition	(14,743)	–	–	–
Movement on revaluation	(74)	345	–	–
Release to equity on actuarial loss	7	45	–	–
Exchange differences	91	(138)	(27)	–
At 31 December 2021	(11,416)	9,441	(360)	(329)

28 **DEFERRED INCOME TAX *(continued)***

GROUP

The movement in net deferred tax assets and liabilities during the year is as follows:

	Accelerated tax depreciation €'000	Tax losses €'000	Other short-term temporary differences €'000	Retirement benefit obligations €'000	Fair value gains €'000	Total €'000
At 1 January 2020	4,503	(15,142)	(1,729)	(2,784)	17,071	1,919
Charge/(credit) to income statement	(671)	(5,968)	(1,611)	(12)	(2,846)	(11,108)
On acquisition	–	–	–	–	–	–
Transfer to revaluation	–	–	–	–	(345)	(345)
Recognised in equity regarding re-measurement of defined benefit scheme	–	–	–	(45)	–	(45)
Movement on revaluation	–	–	–	–	–	–
Exchange differences	(70)	(30)	(136)	100	274	138
At 31 December 2020	3,762	(21,140)	(3,476)	(2,741)	14,154	(9,441)
Gross assets	(224)	(21,140)	(10,845)	(2,741)	-	(34,950)
Gross liabilities	3,986	–	7,369	–	14,154	25,509
(Credit)/charge to income statement	(169)	6,806	(1,285)	90	696	6,138
On acquisition	5	–	(847)	–	15,585	14,743
Transfer to revaluation reserve	–	–	–	–	74	74
Recognised in equity regarding re-measurement of defined benefit scheme	–	–	–	(7)	–	(7)
Exchange differences	(40)	17	(94)	11	15	(91)
At 31 December 2021	3,558	(14,317)	(5,702)	(2,647)	30,524	11,416
Gross assets	(394)	(14,830)	(14,365)	(2,647)	–	(32,236)
Gross liabilities	3,952	513	8,663	–	30,524	43,652

28 **DEFERRED INCOME TAX *(continued)***

COMPANY

	Accelerated capital allowances €'000
At 1 January 2020	305
Credit to income statement	24
Exchange differences	–
At 31 December 2020	329
Credit to income statement	4
Exchange differences	27
At 31 December 2021	360

Unprovided deferred taxation

	Group 2021 €'000	Group 2020 €'000	Company 2021 €'000	Company 2020 €'000
Other short term differences	44,568	40,758	–	–
Tax losses	104	212	–	–
Retirement benefit obligation	129	170	–	–
	44,801	41,140	–	–

Deferred tax has been calculated at the rate expected to apply at the time at which temporary differences are forecast to reverse, based on tax rates which have been substantively enacted at the balance sheet date.

No deferred tax asset has been recognised in respect of the above accelerated tax depreciation, other short term temporary differences, tax losses and retirement benefit obligations because there is uncertainty as to whether the Group will have sufficient relevant taxable profits to utilise these assets in the near future.

29 CONTINGENT LIABILITIES

The Company has guaranteed the bank facilities of UK subsidiaries and is party to a Group VAT registration.

In view of net cash position held with the same UK bank within the Group, the Directors believe that the likelihood of the guarantees being invoked is remote, therefore no contingent liability has been disclosed in these Accounts

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30 FINANCIAL INSTRUMENTS

The Group and parent Company's principal financial instruments that arise directly from their operations are detailed below:

	Group		Company	
	2021	2020	2021	2020
	€'000	**€'000**	**€'000**	**€'000**
Financial assets measured at amortised cost	224,975	144,921	222,950	240,674
Financial liabilities measured at amortised cost	225,815	126,296	3,263	4,019

The main purpose of these financial instruments is to fund the operations of the Group and the parent Company, as well as to manage their working capital, liquidity and surplus funds.

The main risks arising from the Group's financial instruments are foreign currency risk, credit risk and interest rate risk. Liquidity risk is not considered to be a main risk to the Group given the Group's cash and cash equivalents balances being considerably higher than any bank borrowings.

Foreign currency risk

The Group is exposed to foreign currency risk on sales, purchases and borrowings that are denominated in a currency other than the functional currencies of individual Group entities (which are principally sterling, euro and US dollars). The Group publishes its Consolidated Accounts in euro and as a result, it is subject to foreign currency exchange translation risk in respect of the results and underlying net assets of its operations where the euro is not the functional currency of that operation.

Financial risk

The following table demonstrates the sensitivity to a reasonably possible change in the sterling to euro, US dollar to euro and other currencies to euro exchange rate, with all other variables held constant, of the Group's profit before tax due to changes in the fair value of monetary assets and liabilities.

Notes to the Accounts (continued)
Year ended 31 December 2021

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30 FINANCIAL INSTRUMENTS *(continued)*

	Increase / decrease in sterling rate	Effect on profit before tax	Increase / decrease in US Dollar rate	Effect on profit before tax	Increase / decrease in other exchange rates	Effect on profit before tax
		€'000		**€'000**		**€'000**
2021	+20%	(3,391)	+20%	(2,459)	+20%	(45)
	-20%	5,087	-20%	3,689	-20%	67
2020	+20%	(680)	+20%	1,543	+20%	(197)
	-20%	1,020	-20%	(2,315)	-20%	296

Credit risk

The Group trades only with recognised, creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis with the result that the Group's exposure to bad debt is not significant.

With respect to credit risk arising from the other financial assets of the Group, comprising of cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty with a maximum exposure equal to the carrying amounts of these instruments.

The amount that best represents the Group's maximum exposure to credit risk at the end of the reporting period without taking account of any collateral held or other credit enhancements is expected to be the total value of trade receivables and contract assets.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's money on deposit. Cash balances as at year end total €290,988,000 (2020 – €287,963,000) and interest earned on cash balances averaged 0.08% (2020 – 0.34%) during the year.

Capital risk management

The Group defines capital as being share capital plus reserves and manages capital to ensure adequate resources are retained for continued growth of the Group. Access to capital includes the retention of cash on deposit and availability of funding through agreed capital facilities. Long term deposits are used to obtain more favourable rates of return only when adequate cash resources are maintained on shorter term deposit for the Group's working capital requirements.

31 FAIR VALUE MEASUREMENTS

As at 31 December 2021 there were no significant differences between book values and fair values of financial assets and liabilities.

The following table categorises the Group's assets and liabilities held at fair value by the lowest level of the significant inputs used in determining their fair value:

1) Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1)
2) Inputs other than quoted prices included within level 1 that are observable either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2)
3) Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement.

GROUP	Level 1	Level 2	Level 3	Total
	2021	2021	2021	2021
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property – P, P and E	–	199,056	–	230,695
Freehold property – Investment properties	–	64,626	–	64,626
	–	263,682	–	295,321

COMPANY	Level 1	Level 2	Level 3	Total
	2021	2021	2021	2021
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property – P, P and E	–	14,482	–	14,482
Freehold property – Investment properties	–	13,133	–	13,133
	–	27,615	–	27,615

31 FAIR VALUE MEASUREMENTS (continued)

GROUP	Level 1	Level 2	Level 3	Total
	2020	2020	2020	2020
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property – P, P and E	–	133,938	–	133,938
Freehold property – Investment properties	–	55,604	–	55,604
	–	189,542	–	189,542

COMPANY	Level 1	Level 2	Level 3	Total
	2020	2020	2020	2020
Recurring fair value measurements	**€'000**	**€'000**	**€'000**	**€'000**
Freehold property – P, P and E	–	14,045	–	14,045
Freehold property – Investment Properties	–	11,926	–	11,926
	–	25,971	–	25,971

For valuations based on a valuation technique the following information is provided about the technique used and significant inputs:

GROUP	Fair value at 31 Dec 2021 **€'000**	Valuation technique	Significant input
Property, plant and equipment – Freehold property	199,056	Market comparable approach	Market price per square metre for comparable properties
Investment properties – Freehold property	64,626	Rental yields	Expected future rental income

COMPANY	Fair value at 31 Dec 2021 **€'000**	Valuation technique	Significant input
Property, plant and equipment – Freehold property	14,482	Market comparable approach	Market price per square metre for comparable properties
Investment properties – Freehold property	13,133	Valuation technique	Significant input

31 FAIR VALUE MEASUREMENTS (continued)

GROUP	Fair value at 31 Dec 2020 €'000	Valuation technique	Significant input
Property, plant and equipment – Freehold property	133,938	Market comparable approach	Market price per square metre for comparable properties
Investment properties – Freehold property	55,604	Rental yields	Expected future rental income

COMPANY	Fair value at 31 Dec 2020 €'000	Valuation technique	Significant input
Property, plant and equipment – Freehold property	14,045	Market comparable approach	Market price per square metre for comparable properties
Investment properties – Freehold property	11,926	Rental yields	Expected future rental income

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32 RELATED PARTY TRANSACTIONS

At 31 December 2021, the Directors of the Company and their close family were owed €105,000 by the Company (2020 – €979,000 owed to the Company). The maximum overdrawn balance during the year was €35,043,000 (2020 – €3,511,311).

During the year, the Company invoiced management charges of €4,923,000 (2020 – €3,471,000) and provided funding to Group companies with the following amounts outstanding at the year end.

	Amount outstanding at the year end 2021 €'000	2020 €'000
COMPANY		
The ARO group of companies	-	(321)
The Bradman Lake group of companies	39	38
The Claudius Peters group of companies	30,886	29,112
The Piller group of companies	604	38,169
The Manroland group of companies	70,405	55,763
CPVA GmbH	1,322	1,050
The Druck Chemie group of companies	19,132	18,628
Retford Investments LLC	17,076	16,720
Langley Aviation Limited	22,332	20,583
The Marelli group of companies	49,717	47,579
Other group companies	8,679	9,880
	220,192	237,201

During the year, Langley Aviation Limited invoiced the Company €1,132,000 (2020 – €823,000) in respect of the use of aircraft.

During the year, the Company received interest on loans to other Group companies of €4,778,000 (2020 – €8,583,000) and dividends from other Group companies of €12,896 (2020 – €nil).

Transactions with related parties are at market value and are unsecured. The company has recorded a €714,000 impairment of receivables relating to amounts owed by subsidiary undertakings during the year (2020 – €6,754,000) and reversed €16,000 (2020 – €6,000) against previous impairments.

The Company and Group are controlled by A J Langley, a Director of the Company.

Transactions between subsidiaries have been eliminated on consolidation and are disclosed in the individual company accounts.

33 SHARE CAPITAL

	2021 €'000	2020 €'000
Authorised:		
60,100,010 ordinary shares of £1 each	71,227	71,227

Allotted, issued and fully paid:	2021 €'000	2020 €'000
60,100,010 ordinary shares of £1 each	71,227	71,227

34 MERGER RESERVE

The merger reserve arose during the year ended 31 December 2013 on the business combination with Sheetfed Holdings Limited. The transaction qualified for merger relief under section 612 of the Companies Act 2006..

35 REVALUATION RESERVE

This reserve is used to reflect changes in the fair value of assets, net of deferred tax, as indicated in note 1(e). It is not available for the payment of dividends.

36 RETAINED EARNINGS

Included within the retained earnings of the Group are foreign currency translation deficits of €6,631,000 (2020 – €27,697,000) included within the retained earnings for the Company is €3,530,000 (2020 – €29,566,000) of foreign currency translation deficits.

The net currency exchange difference arising on retranslation in the year was a gain of €21,066,000 (2020 – a loss of €18,187,000) for the Group and a gain of €26,036,000 (2020 – a loss of €19,034,000) for the Company. The foreign currency translation reserve contains the accumulated foreign currency translation differences arising when the accounts of the Company and Group operations are translated from their own functional currency to the euro, being the presentation currency for the group accounts.

Notes to the Accounts (continued)
Year ended 31 December 2021

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37 CASH GENERATED FROM OPERATIONS

GROUP	2021 €'000	2020 €'000
Profit before taxation	128,240	24,047
Depreciation	20,370	23,859
Profit on sale of property, plant and equipment	262	(810)
Amortisation of intangibles	2,052	850
Interest income	(240)	(1,041)
Revaluation / impairment of fixed assets	(9,552)	2,256
Interest expense	415	542
Other gains	(78,013)	–
Decrease / (increase) in inventories	(36,681)	27,886
Decrease in trade and other receivables	(22,413)	25,282
Decrease in trade and other payables	68,496	(18,101)
Movement in retirement benefit obligations	(642)	(973)
Foreign exchange translation adjustments	1,771	(2,261)
Cash generated from operations	74,065	81,536

COMPANY	2021 €'000	2020 €'000
(Loss) / profit before taxation	13,712	(6,086)
Depreciation of property, plant and equipment	1,597	1,673
Impairment of investments	6,293	7,395
Profit on sale of property, plant and equipment	(53)	(173)
Dividend income received	(12,896)	–
Interest income	(4,844)	(8,855)
Interest expense	19	–
Decrease in inventories	(1)	(3)
(Increase) / decrease in trade and other receivables	17,560	(7,201)
Increase in trade and other payables	(465)	377
Foreign exchange translation adjustments	1,223	1,531
Cash (used in) / generated from operations	22,145	(11,342)

38 LEASES

The group holds various leases primarily in relation to building for use in the trade. Depreciation charged on right-of-use assets is disclosed in note 13. Interest charges relating to lease liabilities are disclosed in note 6.

	2021 €'000	2020 €'000
Expenses relating to short term leases	575	697
Expenses relating to low value assets	483	385
Cash outflow for leases	2,641	3,730

The weighted average incremental borrowing rate applied to lease liabilities recognised in the consolidated statement of financial position at the date of initial application was 1%.

The carrying value of right-of-use assets at 31 December 2021 is broken down as follows:

	Freehold Land & Buildings	Plant & Machinery	Vehicles	Computers	Total
Cost	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
At 1 January 2021	23,043	76	61	–	23,180
On acquisition	3,359	–	2,011	–	5,370
Additions	13,015	–	10	–	13,025
Disposals	(1,911)	–	–	–	(1,911)
Exchange differences	215	–	–	–	215
At 31 December 2021	37,721	76	2,082	–	39,879
Depreciation					
At 1 January 2021	5,525	4	37	–	5,566
Charge for the year	2,433	13	21	–	2,467
On acquisition	1,460	–	–	–	1,460
Disposals	(1,763)	–	–	–	(1,763)
Exchange differences	129	–	–	–	129
At 31 December 2021	7,784	17	58	–	7,859
Carrying value					
At 31 December 2021	29,937	59	2,024	–	32,020
At 31 December 2020	17,518	72	24	–	17,614

Notes to the Accounts (continued)
Year ended 31 December 2021

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38 LEASES *(continued)*

Lease liabilities in relation to right-of-use assets fall due as follows:

	2021 €'000	2020 €'000
Due within 1 year	4,214	2,483
Due within 2-5 years	7,038	4,442
Due after more than 5 years	11,053	1,307
	22,305	8,232

39 SUBSIDIARY UNDERTAKINGS

A list of wholly owned unlisted subsidiary companies at 31 December 2021 is provided below. The registered office of each subsidiary is detailed in italics.

Company	Country of Registration	Principal Activity
Retford Investments LLC *3050 Southcross Blvd Rock Hill, SC 29730*	United States of America	Holder of real estate for other group companies
Marelli Motori SPA *Via Sabbionara 1 36071 Arzignano (VI)*	Italy	Design and manufacture of generators and electronic motors
CPVA GmbH *Muehlheimer Strase 341, 63075 Offenbach am Main*	Germany	Property rental
Sheetfed Holdings Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Parent company (see below)
Mikenboard Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Dormant Subsidiary
H Q Engineers Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Dormant Subsidiary
JND Wefco Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Dormant Subsidiary
Sail Cruising Limited *13 Church Street, St Johns, Antigua*	Antigua	Dormant Subsidiary
The Clarke Chapman Group Limited *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Design, manufacture, maintenance, refurbishment and repair of cranes and other mechanical handling equipment
JND Technologies Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Design, manufacture and refurbishment of process plant, road tankers and cementitious grouts
Reader Cement Products Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Processing of cementitious grouts

39 SUBSIDIARY UNDERTAKINGS *(continued)*

Company	Country of Registration	Principal Activity
Oakdale Homes Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	House builders
Oakdale Properties Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Residential property
Claudius Peters Group GmbH *Schanzenstraße 40, DE-21614, Buxtehude*	Germany	Parent company (see below)
Piller Holding GmbH *Abgunst 24, 37520 Osterode*	Germany	Parent company (see below)
Piller Management GmbH *Abgunst 24, 37520 Osterode*	Germany	Dormant Subsidiary
Pressure Engineering International Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Dormant Subsidiary
Langley Aviation Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Aircraft Transport
ARO Welding Technologies SAS *1, Avenue de Tours, BP 40161, Château du Loir, 72500 Montval-sur-Loir*	France	All of the companies are involved in the design, manufacture, maintenance, repair and/or distribution of resistance welding equipment and control systems.
ARO Welding Technologies Inc *48500 Structural Drive, Chesterfield Township, MI 4805*	USA	
Bradman Lake Group Limited *Common Lane North, Beccles, Suffolk, NR34 9BP*	England	Parent company (see below)

40 SUBSIDIARY UNDERTAKINGS *(continued)*

The following companies are wholly owned unlisted subsidiaries of ARO Welding Technologies SAS, at 31 December 2021:

Company	Country of Registration	Principal Activity
ARO Welding Technologies AB *AB Timotejvägen, 7 439 71, Fjärås*	Sweden	All of the companies are involved in the design, manufacture, maintenance, repair and/or distribution of resistance welding equipment and control systems.
ARO Welding Technologies SA de CV *43B Sur 4720 Estrella del Sur C.P. 72190 Puebla, Pue*	Mexico	
ARO Welding Technologies SAU *C/ Cuzco, 26-28, nave 2 08030 Barcelona*	Spain	
ARO Welding Technologies Limited *Unit 15, Planetary Industrial Estate, Planetary Road, Willenhall, Wolverhampton, WV13 3XA*	England	
ARO Welding Technologies SA-NV *Koningin Astridlaan 61, 1780 Wemmel*	Belgium	
ARO Welding Technologies s.r.o *Karloveská 63 84104 Bratislava*	Slovakia	
ARO Welding Technologies GmbH *Senefelderstraße 4 86368 Gersthofen*	Germany	
ARO Welding Technologies (Wuhan) Co. Ltd *Building N°1, 1st Floor, 2045 Innovation Valley WEDBI 101 Quanli Second Road, WEDZ, Wuhan, Hubei, 430056, Wuhan*	China	
ARO Welding Technologias Ltda *Rua das Figueiras 474 – 3° andar Bairro Jardim, 09080-300 – Santo André SP São Paulo*	Brazil	

40 SUBSIDIARY UNDERTAKINGS *(continued)*

The following companies are wholly owned unlisted subsidiaries of The Clarke Chapman Group Limited, at 31 December 2021:

Company	Country of Registration	Principal Activity
Clarke Chapman Facilities Management Limited *Office 104 Golborne Enterprise Park Kid Glove Road Golborne Warrington Cheshire WA3 3GR*	England	Provision of facilities management services
Clarke Chapman Aftermarket Limited *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Dormant subsidiary
Clarke Chapman Machining Limited *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Dormant subsidiary
Clarke Chapman Manufacturing Ltd *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Dormant subsidiary
Mackley Pumps Limited *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Dormant subsidiary
Cowans Sheldon Limited *PO Box 9, Saltmeadows Road, Gateshead, Tyne & Wear, NE8 1SW*	England	Dormant subsidiary
Wellman Booth Limited *Unit 2, Kirkfield Industrial & Commercial Centre, Kirk Lane, Yeadon, Leeds, LS19 7LX*	England	Dormant subsidiary
Stothert and Pitt Limited *1-9 Yelverton Road, Brislington, Bristol, BS4 5HP*	England	Dormant subsidiary
Butterley Limited *Enterprise Way, Retford, Nottinghamshire, DN22 7HH*	England	Dormant subsidiary

The following companies are wholly owned unlisted subsidiaries of Bradman Lake Group Limited, at 31 December 2021:

Company	Country of Registration	Principal Activity
Bradman-Lake Limited *Common Lane North, Beccles, Suffolk NR34 9BP*	England	Both of the companies are involved in the design and manufacture of packaging equipment.
Bradman-Lake Inc *3050 Southcross Boulevard, Rock Hill, SC 29730*	USA	

39 **SUBSIDIARY UNDERTAKINGS** ***(continued)***

The following companies are wholly owned unlisted subsidiaries of Claudius Peters Group GmbH, at 31 December 2021.

Company	Country of Registration	Principal Activity
Claudius Peters Projects GmbH *Claudius Peters Projects GmbH, Schanzenstraße 40, DE-21614 Buxtehude*	Germany	All of the companies are involved in the design, manufacture, maintenance, refurbishment and repair of materials processing and handling equipment.
Claudius Peters Technologies SAS *Claudius Peters Technologies SAS 34, Avenue de Suisse, F-68316 Illzach*	France	
Claudius Peters (Italiana) srl *Via Verdi 2 1-24121 Bergamo*	Italy	
Claudius Peters (Iberica) SA *Paseo de la Habana 202 bis, 28036 Madrid*	Spain	
Claudius Peters (China) Limited *Unit 1705-1706, 17/F Laws Commercial Plaza, 788 Cheung Sha Wan Road, Lai Chi Kok, Kowloon*	Hong Kong	
Claudius Peters (UK) Limited *Unit 10, Thatcham Business Village, Colthrop Way, Thatcham, Berkshire, RG19 4LW*	England	
Claudius Peters (Americas) Inc *445 W. President George Bush Hwy Richardson, TX 75080*	USA	
Claudius Peters do Brasil Ltda *Rua das Figueiras, 474 - 3 ° andar - Bairro Jardim 09080-300 - Santo André / SP*	Brazil	
Claudius Peters Romania srl *Str. Oituz Nr. 25C, et 2 550337 Sibiu*	Romania	
Claudius Peters (Beijing) Machinery Services Limited *7/G Hong Kong Macau Centre No 2 Chaoyangmen Bei Da Jie, Beijing 100027*	China	
Claudius Peters India Pvt. Limited *Unit 408, 4th. Floor, Peninsula Plaza A/16 Fun Republic Lane Off Link Road, Andheri West Mumbai 400 053*	India	

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39 **SUBSIDIARY UNDERTAKINGS** ***(continued)***

Company	Country of Registration	Principal Activity
Claudius Peters (Asia Pacific) Pte Ltd *25 International Business Park #01-65/66 German Centre Singapore 609916*	Singapore	
Claudius Peters Automation srl *Str. Oituz Nr. 25C, et 2 550337 Sibiu*	Romania	
Plant and Machinery Technical Germany Services GmbH *Schanzenstraße 40 DE-21614 Buxtehude*	Germany	

The following company is a wholly owned unlisted subsidiary of Piller Holding GmbH, at 31 December 2021:

Company	Country of Registration	Principal Activity
Piller Group GmbH *Abgunst 24, 37520 Osterode*	Germany	See below

The following companies are wholly owned unlisted subsidiaries of Piller Group GmbH and its subsidiaries at 31 December 2021:

Company	Country of Registration	Principal Activity
Piller Australia Pty Limited *2/3 Salisbury Road, Castle Hill, NSW 2154 Sydney*	Australia	All of the companies are involved in producing electrical machinery, specialising in high capacity uninterruptible power supply (UPS) systems. The Group is also involved in the production of converters for aircraft ground power and naval military applications.
Piller France SAS *1 Avenue du Président Pompidou CS 70073 – BAT A F-92508 Rueil-Malmaison Cedex*	France	
Piller USA Inc *45 Wes Warren Drive, Middletown, New York 10941-2047*	USA	
Piller UK Limited *Westgate, Phoenix Way, Cirencester, Gloucestershire, GL7 1RY*	England	

39 SUBSIDIARY UNDERTAKINGS *(continued)*

Company	Country of Registration	Principal Activity
Piller Italia Srl *Centro Direzionale Colleoni Palazzo Pegaso 3 Viale Colleoni 25 20864 Agrate Brianza (MB)*	Italy	
Piller Iberica SL *U, Paseo de la Habana, 202 Bis Bj E-28036 Madrid*	Spain	
Piller Power Singapore Pte. Limited *25 International Business Park #01-65/66 German Centre Singapore 609916*	Singapore	
Piller Germany GmbH & Co KG *Abgunst 24, 37520 Osterode*	Germany	
Power India Pvt Ltd *B-4, 2nd Floor, Plot No. 422, Nav Bhavana Premises, Co-op Society Ltd, S V Savarkar Marg, Prabhadevi Mumbai, Maharashtra 400025*	India	
Piller Power Beijing Co. Ltd. *Rm 506-7, Tower A, COFCO Plaza, 8 Jianguomen Nei Ave, Beijing*	China	
Active Power HongKong (Holding) *A95, Unit A, s/F, Hung To Centre, 94-96 How Ming Street, Kwun Tong, Kowloon*	Hong Kong	Dormant Subsidiary
Active Power UK Ltd. *Unit 1.2, Lauriston Business Park, Pitchill, Evesham, Worcestershire WR11 8SN*	England	Dormant Subsidiary

39 SUBSIDIARY UNDERTAKINGS *(continued)*

The following companies are investments held by Sheetfed Holdings Limited and its subsidiaries, at 31 December 2021:

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland Sheetfed GmbH *Muehlheimer Strasse 341, 63075 Offenbach am Main*	Germany	100%	Note 1
Manroland Deutschland GmbH *Muehlheimer Strasse 341, 63075 Offenbach am Main*	Germany	100%	Note 2
Manroland Used Equipment GmbH *Muehlheimer Strasse 341, 63075 Offenbach am Main*	Germany	100%	Note 2
Manroland Sheetfed (UK) Limited *1st Floor, Southerton House, Boundary Business Court, 92-94 Church Road, Mitcham, Surrey, CR4 3TD*	England	100%	Note 2
Manroland Latina S.A. *Mariano Sanchez, Fontecilla No.374, Las Condes, Santiago de Chile, 7550296*	Chile	100%	Note 2
Manroland Latina S.A. de C.V *Av. Rio San Joaquin, No. 6107, Col. Popo, Del. Miguel Hidalgo, C.P.11480, Mexico City*	Mexico	99.9%	Note 2
Manroland do Brasil Serviços Ltda *Rua das Figueiras, 474 – 3 andar Edificio Eiffel Bairro Jardim, 09080-300, Santo Andre, SP*	Brazil	99.9%	Note 2
Manroland Latina S.A. *Av. Regimiento de Patricios 1054 C1265AEQ CABA, Buenos Aires*	Argentina	100%	Note 2
Manroland Latina S.A.C *Los Geranios No.328 Lince, Lima*	Peru	100%	Note 2
PT Manroland Indonesia *Management Building 2nd Floor, Jl Buncit Raya Kav.100, Jakarta*	Indonesia	100%	Note 2
Manroland Thailand Ltd *22/6 Ladprao Soi 21 Jomphol, Jatujak Bangkok 10900*	Thailand	100%	Note 2
Manroland Nordic Finland Oy *Valimotie 22, 01510 Vantaa*	Finland	100%	Note 2
Manroland Nordic Sverige AB *Nohabgatan 12H, Byggnad 33, SE-461*	Sweden	100%	Note 2

39 SUBSIDIARY UNDERTAKINGS *(continued)*

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland Nordic Danmark A/S *Lautruphøj 1-3 DK-2750 Ballerup*	Denmark	100%	Note 2
Manroland Inc *800 East Oak Hill Drive, Westmont, Illinois, 60559*	USA	100%	Note 2
Manroland Sheetfed Pvt Ltd *A-15, Phase – II, Naraina Industrial Area, New Delhi - 110028*	India	100%	Note 2
Manroland Canada Inc *120 Jevlan Dr., Unit #3 Vaughan, ON L4L 8G3*	Canada	100%	Note 2
Manroland Western Europe Group B.V. *Kuiperbergweg 50 NL-1101 AG Amsterdam Zuidoost Postbus 61007 NL-1005 HA Amsterdam*	Netherlands	100%	Note 2
Manroland Österreich GmbH *IZ NÖ-Süd, Strasse 16, Objekt 70/1, Wiener Neudorf 2355*	Austria	100%	Note 2
Manroland Malaysia Sdn. Bhd *Unit 315, Laman Seri Industrial Park, Persiaran Sukan, Seksyen 13, 40000 Shah Alam, Selangor Darul Ehsan*	Malaysia	100%	Note 2
Manroland Japan Co. Ltd *2-3-4, Niizo-Minami, Toda-shi, Saitama 335-0026*	Japan	100%	Note 2
Manroland (Korea) Ltd *2F, Gaya Building,570-1 Yeonnam-dong Mapo-Gu,Seoul 121-869*	Korea	100%	Note 2
Manroland (Taiwan) Ltd *17F-9, No. 738, Chung Cheng Road Chung-Ho District, New Taipei City 23511*	Taiwan	100%	Note 2
Manroland (China) Limited *7/F, Capella HTR, Kwun Tong, Kowloon, Hong Kong*	China	100%	Note 2
Guangzhou Printcom Printing Supplies Co. Ltd *1/F, 11# Building, Standard Industrial Garden, Taishi Industrial Park, Dongchung Town, Panyu District, 511475, Guangzhou*	China	100%	Note 2
Manroland Printing Equipment (Shanghai) Co. Ltd *Room 901, Bld A, HongKou Plaza, No. 388, West Jiang Wan Rd, Hong Kou District, Shanghai*	China	100%	Note 2

39 SUBSIDIARY UNDERTAKINGS *(continued)*

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland Printing Equipment (Shenzhen) Ltd *Room 101-106, Block C, Huahan Chuangxin Park, LangShan Road, Nanshan District, Shenzhen*	China	100%	Note 2
Manroland Bulgaria EOOD *Business Park Sofia 1 Mladost 4, Blok 14. Sofia 1715.*	Bulgaria	100%	Note 2
Manroland Adriatic d.o.o. *Kovinska 4A, 10000 Zagreb*	Croatia	100%	Note 2
Manroland ROMANIA S.R.L *Str. Ziduri Intre Vii 19, Corp C, Parter, Spatiu C-5, Sector 2, Bucuresti, 023321*	Romania	100%	Note 2
Manroland Magyarorzag Kft. *Táblás u. 36-38 1097 Budapest*	Hungary	100%	Note 2
Manroland Polska Sp. z.o.o *Wolica Aleja Katowicka 11 PL-05 830 Nadarzyn*	Poland	100%	Note 2
Manroland Czech s.r.o *Prumyslova 10/1428, Praha 10, 102 00*	Czech Republic	100%	Note 2
Manroland France S.A.S *Bat. M1 Les Aralias Paris Nord II 66 rue des Vanesses CS 53290 Villepinte 95958 Roissy CDG Cedex*	France	100%	Note 2
Manroland Swiss A.G. *Schöneich 1, 6265 Roggliswil*	Switzerland	100%	Note 2
Manroland Ireland Ltd *Unit N2, North Ring Business Park, Santry, Dublin 9*	Ireland	100%	Note 2
Manroland Iberica Sistemas S.L *Centro de Negocios Eisenhower Avda. Sur Aeropuerto de Barajas, 24 – Edif. 5 – 5º C 28042 Madrid*	Spain	100%	Note 2
Manroland Iberica Sistemas LDA *Rua de Pé de Mouro Polígono Empresarial Pé de Mouro, 19 2710-335 Sintra*	Portugal	100%	Note 2
Manroland Italia S.R.L. *Via Lambretta 2 20090 Segrate (MI)*	Italy	100%	Note 2

39 SUBSIDIARY UNDERTAKINGS *(continued)*

Company	Country of Registration	Percentage Ownership	Principal Activity
Manroland Benelux N.V. *Koningin Astridlaan, 61 1780 Wemmel*	Belgium	100%	Note 2
Manroland Nordic Norge A/S *Postboks 473 N-1473 Lørenskog*	Norway	100%	Note 2
Manroland Southern Africa (PTY) Ltd *15 Manhattan Street, Airport Industria, Cape Town 7490*	South Africa	100%	Note 2
Manroland IP GmbH *Muehlheimer Strasse 341, 63075 Offenbach am Main*	Germany	50%	Note 4
Manroland Sheetfed (Thailand) Co. Ltd *22/6 Ladprao Soi 21, Jomphol, Jatujak Bangkok 10900*	Thailand	100%	Note 2
DC Druck Chemie GmbH *Wiesenstraße 10 D-72119 Ammerbuch-Altingen*	Germany	100%	Note 5
DC Green France SAS *(Ouest) Route du Prouau F-44980 Ste Luce Sur Loire*	France	100%	Note 5
DC Iberica SL Spain *C/ Tresols 11 bajos Apartdo de correos 109 E-08850 Gava (Barcelona)*	Spain	100%	Note 5
DC Druck Chemie Polska Sp.z.o.o. *Spichrzowa 16 62-200 Gniezno*	Poland	100%	Note 5
DC Druck Chemie s.r.o *K AMP 1294 664 34 Kuřim*	Czech Republic	100%	Note 5
DC Druck Chemie SAS *(Est) Route de Bretten F-68780 Soppe le Bas*	France	100%	Note 5
DC Druck Chemie UK Limited *10th Floor, 133 Finnieston Street, Glasgow, G3 8HB*	Scotland	100%	Note 5
DC Druck Chemie Italia S.R.L *Via Tirso, 12 20098 San Giuliano Milanese (MI)*	Italy	100%	Note 5
DC Druck Chemie Benelux BV *Gerstdijk 7 NL-5704 RG Helmond*	Belgium	100%	Note 5

Notes to the Accounts (continued)
Year ended 31 December 2021

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39 SUBSIDIARY UNDERTAKINGS *(continued)*

Company	Country of Registration	Percentage Ownership	Principal Activity
DC Druck Chemie Brazil LTDA *Rua Rosa Belmir Ramos 151 13.275-400 Valinhos / Sao Paulo*	Brazil	100%	Note 5
DC Druck Chemie AG *Schöneich CH-6265 Roggliswil*	Switzerland	100%	Note 5
Hi-Tech Chemicals BV *Zwaluwbeekstraat 14, 9150 Kruibeke*	Belgium	100%	Note 5
BluePrint Products NV *Zwaluwbeekstraat 14, 9150 Kruibeke*	Belgium	100%	Note 5
Press Chem UK Limited *Unit 14b, Shuttleworth Mead Business Park, Mead Way, Padiham, Burnley, Lancashire, BB12 7NG*	England	100%	Dormant

Note 1: The design, manufacture and sale of sheetfed offset litho printing presses and aftermarket services
Note 2: The sale of sheetfed offset litho printing presses and aftermarket services
Note 3: Property rental
Note 4: Intellectual Property
Note 5: The development, manufacture and supply of chemical and technical products and accessories for the printing industry, as well as providing waste processing and recycling services

39 SUBSIDIARY UNDERTAKINGS *(continued)*

The following companies are wholly owned unlisted subsidiaries of Marelli Motori SPA at 31 December 2020:

Company	Country of Registration	Percentage Ownership	Principal Activity
Marelli USA Inc *220 Norcross Parkway, Suite 290 Norcross GA 30071*	USA	100%	All of the companies are involved in the design, and manufacture of generators and electric motors.
Marelli Motori Asia Sdn Bhd *Lot 1-8, Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor D.E.*	Malaysia	100%	
Marelli Asia Pacific Sdn Bhd *Lot 1-8, Persiaran Jubli Perak, Seksyen 22, 40300 Shah Alam, Selangor D.E.*	Malaysia	100%	
Marelli Motori South Africa Ltd (Pty) *Unit 2, Corner Director & Megawatt Road, Spartan Ext 23, Kempton Park 1619 Gauteng*	South Africa	100%	
Marelli UK Ltd *Kirkby Lane, Pinxton, Nottinghamshire, NG16 6HX*	England	100%	
Marelli Motori Central Europe GmbH *Heilswannenweg 50, 31008 Elze*	Germany	100%	

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39 SUBSIDIARY UNDERTAKINGS *(continued)*

The following companies are wholly owned unlisted subsidiaries of Marelli Motori SPA at 31 December 2020:

Company	Country of Registration	Percentage Ownership	Principal Activity
Bergen Engines B.V. *Werfdijk 2, 3195HV Pernis, Rotterdam, Netherlands*	Netherlands	100%	All of the companies are involved in the design, manufacture and sale of reciprocating gas and diesel engines.
Bergen Engines Denmark A/S *Nørresundby, Amalienborgvej 39, Denmark*	Denmark	100%	
Bergen Engines India Private Limited *52-b (2nd Floor), Okhla Industrial Estate, Phase III, New Delhi 110020, India*	India	100%	
Bergen Engines Bangladesh Private Limited *Green Granduer, 6th Floor, Plot n.58 E, Kamal Ataturk Avenue Banani, C/A Dhaka, 1213, Bangladesh*	Bangladesh	100%	
Bergen Engines Limited *Moor Lane, Derby, Derbyshire, DE24 8BJ*	England	100%	
Bergen Engines SRL *13 Via Castel Morrone, 16161, Genoa Italy*	Italy	100%	
Bergen Engines S.L. *Calle Dinamarca s/n (esquina Calle Alemania), Poligono Industrial de Constanti, 43120 Constanti, Tarragona, Spain*	Spain	100%	
Bergen Engines PropertyCo AS *Hordvikneset 125, N-5018, Hordvik, Bergen 1201, Norway*	Norway	100%	
Rolls-Royce Mexico S. de R.L de C.V. *Boulevard Adolfo Ruiz Cortinez 3642-403, Fracc Costa de Oro, Verzcruz CP 94299 6, Mexico*	Mexico	100%	
Rolls-Royce Mexico Administration S. de R.L. de C.V. *Boulevard Adolfo Ruiz Cortinez 3642-403, Fracc Costa de Oro, Verzcruz CP 94299 6, Mexico*	Mexico	100%	

The following subsidiaries have taken exemption from audit under s479a of Companies Act 2006:

Reader Cement Products Limited (03025049)
Oakdale Homes Limited (02922110)
Oakdale Properties Limited (07525468)
Marelli UK Limited (01787809)
Clarke Chapman Facilities Management Limited (04120701)
ARO Welding Technologies Limited (02184159
Claudius Peters (UK) Limited (01148578))

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