LANGLEY

Langley Holdings PLC

Annual Report & Accounts 2020

langleyholdings.com

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“Gladiator”, the group sponsored TP52 racing yacht.

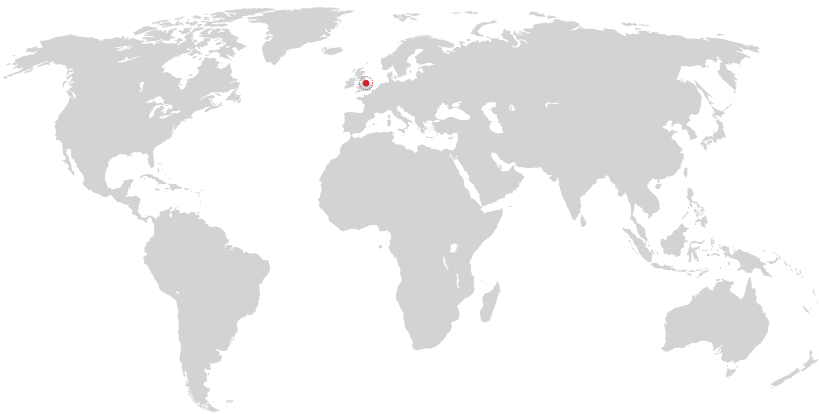
Langley Group

Founded: 1975

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

The Group comprises 7 divisions based principally in Germany, France, Italy and the United Kingdom, with a substantial presence in the United States and more than 80+ subsidiaries worldwide.

Established in 1975 by the current Chairman and CEO, Tony Langley, the Langley group is financially independent and remains under family ownership. The group employed around 4,600 people world wide in 2020.



7 Divisions

80+ subsidiaries

Over 4,600 employees

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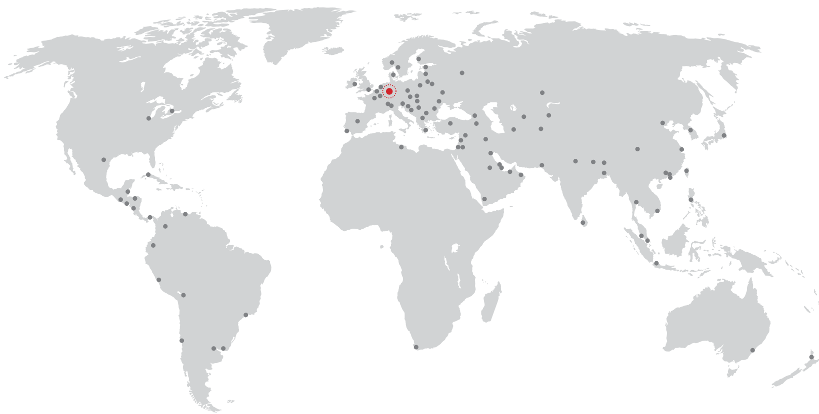
Manroland Sheetfed

Founded: 1871

Manroland Sheetfed GmbH 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.

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



Printing press builder

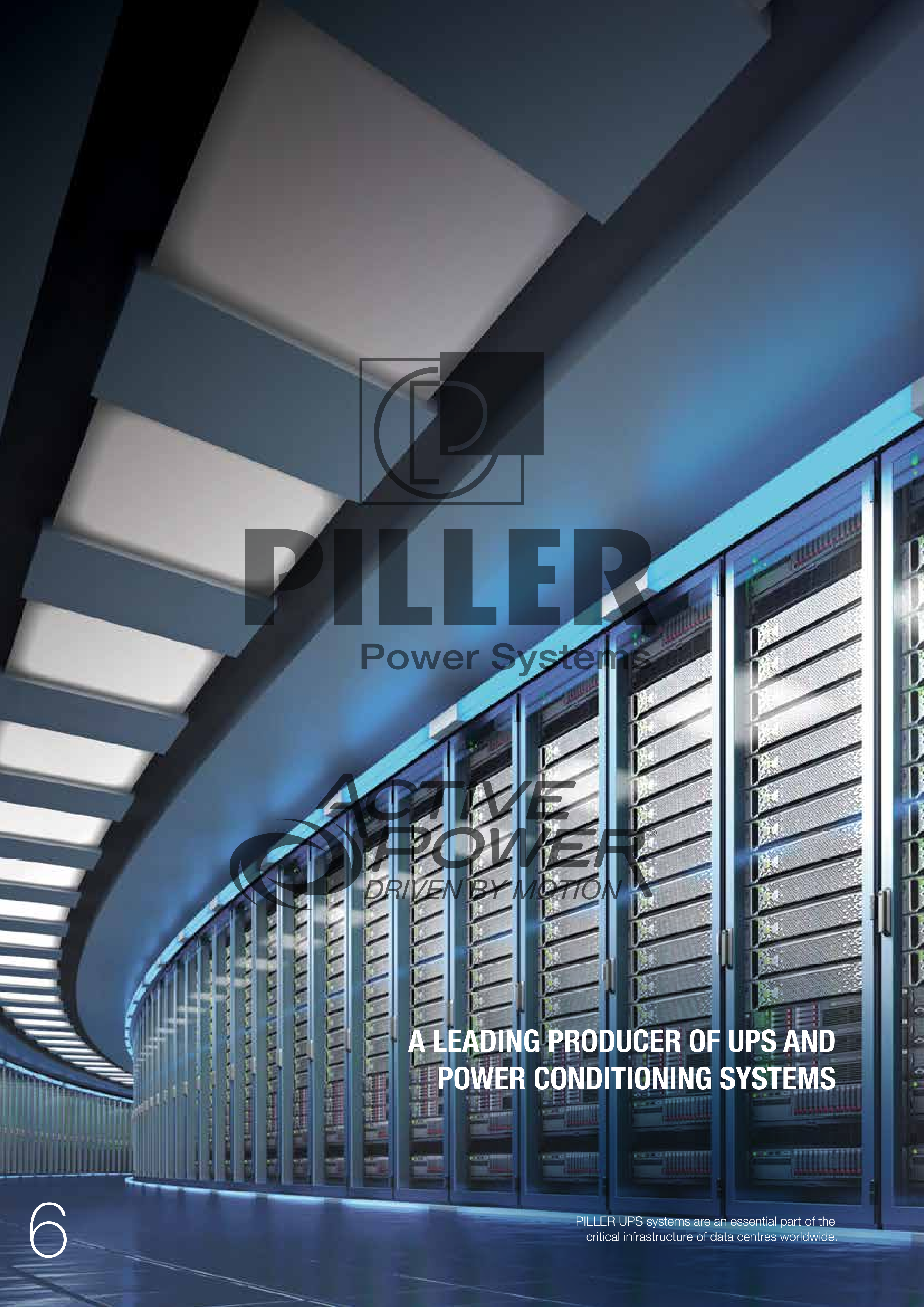
€214.7m

1,412

manrolandsheetfed.com

A WATCHWORD FOR QUALITY AND RELIABILITY TO PRINTERS WORLDWIDE

The ROLAND 900 *EVOLUTION* family pushes the boundaries for what is possible in large format offset printing.



A LEADING PRODUCER OF UPS AND POWER CONDITIONING SYSTEMS

PILLER UPS systems are an essential part of the critical infrastructure of data centres worldwide.

Piller

Founded: 1909

Piller Power Systems is Europe's leading producer of uninterruptible power supply (UPS) systems for high-end data centres. 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.

Power protection for data centres, healthcare, industrial and manufacturing, aircraft ground power, naval and military systems

€171.8m

918

piller.com

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Marelli Motori

Founded: 1891

Marelli Motori is a leading Italian manufacturer of electric motors and generators. Founded in northern Italy, the company enjoys worldwide brand 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. Marelli Motori was acquired by Langley Holdings in May 2019.

Motors and generators

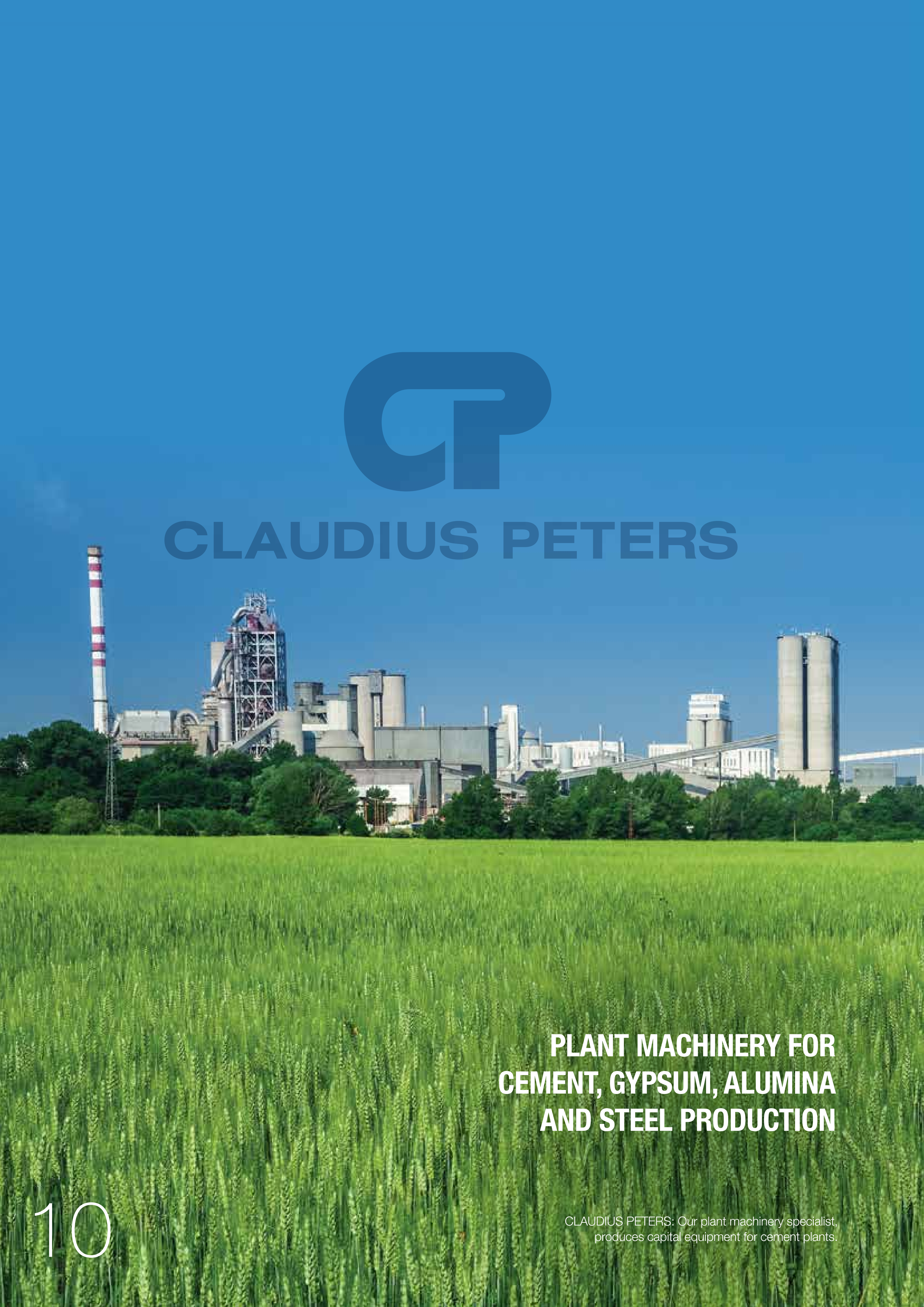
€98.2m

631

marellimotori.com

LEADING MANUFACTURER OF ELECTRIC MOTORS AND GENERATORS

Marelli Motori designs and manufactures electric motors and generators for the industrial, marine, hydropower and oil & gas sectors.



CLAUDIUS PETERS

PLANT MACHINERY FOR CEMENT, GYPSUM, ALUMINA AND STEEL PRODUCTION

CLAUDIUS PETERS: Our plant machinery specialist, produces capital equipment for cement plants.

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, in Germany and was acquired by Langley Holdings in 2001.

Plant machinery and aerospace components

€80.2m

459

claudiuspeters.com

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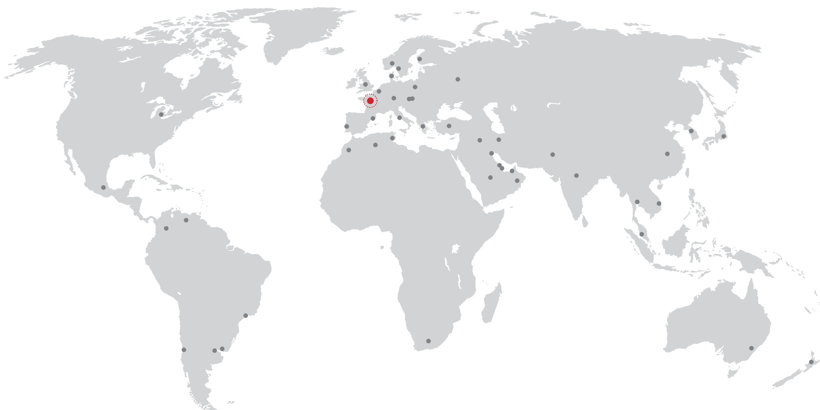
ARO
Welding Technologies

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.



Welding technology

€71.4m

459

arotechnologies.com

WORLD LEADERS IN AUTOMOTIVE WELDING TECHNOLOGY

ARO: World leaders in resistance welding technology supplying to the automotive and other industries worldwide.

CHEMICALS AND CONSUMABLES FOR THE PRINT INDUSTRY

Druck Chemie Service Tour vehicle. Close, regular contact for complete customer support.

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Druck Chemie

Founded: 1971

Druck Chemie is a leading supplier of speciality chemicals, consumables and services for the printing and graphics industries with subsidiaries throughout Europe and South America.

Druck Chemie works in partnership with all leading printing press manufacturers including Manroland, Heidelberg, Goss, KBA, Komori and Mitsubishi.

In 2020, Druck Chemie acquired printing chemicals consumables manufacturers BluePrint Products NV and HiTech Chemicals BV.

Printing chemicals consumables

€59.4m

297

druckchemie.com

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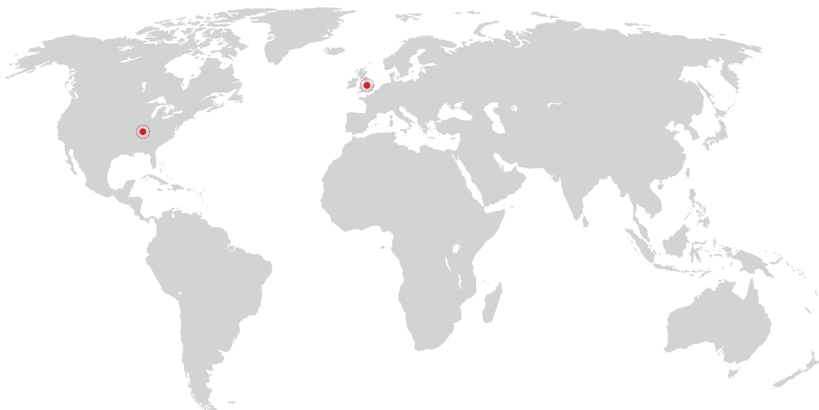
Other Businesses

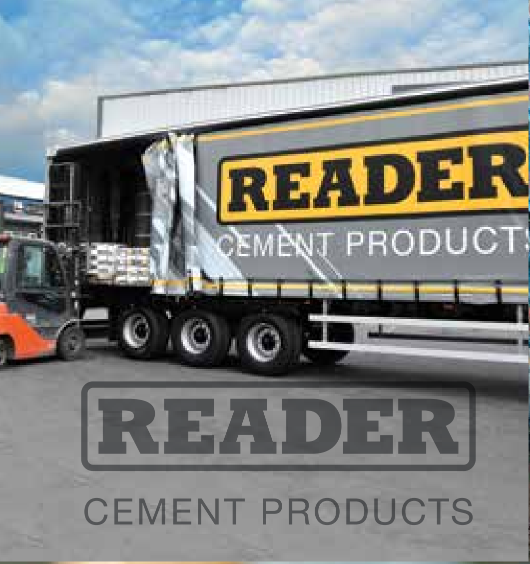
Other businesses operating at locations in the United Kingdom and United States, include: Bradman Lake, a producer of packaging machinery for the food industry; Clarke Chapman a specialist materials handling equipment manufacturer; Reader Cement Products and; Oakdale Homes, a local residential property builder.



Diverse capital equipment, construction

€71.0m

485



FOOD PACKAGING, SPECIALIST CRANES, CEMENT PRODUCTS AND HOUSE BUILDING

Other Langley Holdings businesses comprise process and packaging machinery, industrial cranes, specialist cement products and house building.

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80+ Subsidiaries Worldwide

17 Manufacturing Sites

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Global Locations

Argentina Buenos Aires | **Asia Pacific** Singapore | **Australia** Sydney | **Austria** Wiener Neudorf | **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 | **Finland** Vantaa | **France** Château-du-Loir, Mulhouse, Paris, Soppe-Le-Bas | **Germany** Augsburg, Elze, Frankfurt, Hamburg, Hanover, Stuttgart | **Hungary** Budapest | **India** Mumbai | **Indonesia** Jakarta | **Ireland** Dublin | **Italy** Arzignano, Bergamo, Milan | **Japan** Saitama | **Malaysia** Shah Alam | **Mexico** Puebla | **Netherlands** Amsterdam, Helmond | **Peru** Lima | **Poland** Nadarzyn, Gniezno | **Portugal** Sintra | **Romania** Bucharest, Sibiu | **Russia** Moscow | **Slovakia** Bratislava | **Slovenia** Ljubljana | **South Africa** Cape Town, Johannesburg | **Spain** Barcelona, Madrid | **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

Company Information

IFRS Report and Accounts 2020

DIRECTORS:	A J Langley – Chairman B J Langley W A Langley M J Neale B A Watson (resigned 19 March 2020)
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 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 2020

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	Year ended 31 December 2020 €'000	Year ended 31 December 2019 €'000
REVENUE	766,778	820,194
PROFIT BEFORE TAXATION AND NON-RECURRING ITEMS	28,539	59,910
NON-RECURRING COSTS	(4,492)	(4,073)
NET ASSETS	707,178	707,394
CASH AND CASH EQUIVALENTS	287,963	238,858
ORDERS ON HAND	220,169	254,300
	No.	**No.**
EMPLOYEES	4,661	4,918

"...A YEAR LIKE NO OTHER" THE GROUP "...SUCCESSFULLY NAVIGATED THE SINGLE MOST CHALLENGING ECONOMIC AND SOCIAL PHENOMENA IN LIVING MEMORY."

Chairman's Review

Year ended 31 December 2020

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In the year to 31 December 2020 the group recorded revenues of €766.8 million (2019: €820.2 million) and generated a profit of €28.5 million (2019: €59.9 million) before tax and non-recurring costs of €4.5 million (€2019: €4.1 million). The current year non-recurring costs related to the closure of the manufacturing facilities in Malaysia of Marelli Motori, the Italian electric motor and generator producer acquired by the group in 2019.

There were no shareholder dividends during the year (2019: €90.0 million). At the year end the consolidated cash balance stood at €288.0 million (2019: €238.9 million) and net assets were €707.2 million (2019: €707.4 million). The group had nil net debt throughout the period (2019: nil). Orders on hand at the year-end were €220.2 million (2019: €254.3 million).

2020 was a year like no other. At this time last year, it was too early to say what impact the emerging Coronavirus threat would have on our businesses. As the year progressed it became apparent that a global humanitarian and economic crisis of unprecedented proportions was unfolding. By March the pandemic was sweeping across Europe and by the middle of the year very few countries, if any, were left untouched. Healthcare systems strained to the limit and freedom of movements and activity were severely curtailed.

Our own businesses were all hampered considerably by the pandemic, yet only three of our seventeen manufacturing sites around the world (Detroit, Wuhan and Kuala Lumpur) actually ceased operations entirely, and then only for a limited period. Most of our factories operated short-time working and all implemented remote working for their white collar staff, as did many of our 80+ sales and service subsidiaries around the world. A few of our businesses performed at or above budget, but these represented a relatively small proportion of total group activity.

Across the group, revenues were down by some 11% when compared with 2019 and 24% down against 2020 budget. Overall the group remained profitable, albeit down on 2019, itself reflecting a slow down from previous successive record profit years.

Crucially, cash reserves were not only preserved during this extraordinary year, but actually increased by almost €50 million over the period. Prudent cash management, overhead cost reductions, (including much reduced travel costs), a surplus land sale and lower working capital requirements, together with governmental employment support – mainly in the EU where the majority of our employees are situated – all contributed to a strong cash position at the year end.

In March, when the scale of the crisis started to become apparent, capital expenditure was deferred wherever possible and all other expenditure closely scrutinised. Pay increases, replacement of leavers and dividends were all suspended across the group.

At this time of crisis, the depth and duration at that time unknown, my priority was to shore up the group for what was then an indeterminable downturn. Management responded quickly and decisively to the unique challenges presented by the pandemic and to the board's strategic direction. The group is in good shape as a result of these actions and all things considered, the result for the year was satisfactory.

In 2020 our trading divisions fared as follows:

Piller Power Systems Division

Revenue: €171.8 million. (2019: €217.9 million). Orders on hand: €59.6 million. (2019 €74.0 million). Headquarters: Osterode, Germany. Employees: 918.

Piller Power Systems, our German producer of electrical equipment – principally mission-critical UPS systems for data centres, along with its overseas sales and service subsidiaries in the USA, UK, France, Italy, Spain, Singapore, India, China and Australia – was the largest contributor to the group's 2020 result, despite the practical challenges posed by Coronavirus restrictions and market headwinds.

Capital projects expected in 2020 were generally delayed rather than being lost or cancelled and are now expected in the current quarter. The Piller group has over 200 field service technicians world-wide and these services were initially hampered by border closures, particularly technicians needing to travel overseas from Germany, those servicing French speaking countries travelling from France, and also those technicians attached to Piller Singapore, the division's Far East hub. Elsewhere, where Piller has in-country subsidiaries, the logistical problems were less acute.

Overall across the Piller group, all customer-facing companies closed with positive results, five of the subsidiaries exceeding their budgets. A very satisfactory outcome, all things considered.

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Piller UB-V 3240 – at 3.24MW the largest UPS unit to be built by Piller to date.

In 2020 Piller announced the latest development from its R&D programme, the Uniblock™ UB-V Series UPS. Four years in development, this state-of-the-art technology offers significant benefits over prior and competitor power conditioning and backup technologies. During the year, the company received its first order for the new range which has a single unit capacity up to 3.24MW, the largest rating to be offered by Piller to date.

Active Power Inc.

Active Power, the Austin Texas based flywheel UPS builder, previously integrated into Piller's US subsidiary after it was acquired in 2016, became an independent company again on 1 January 2020. Active Power Inc. remains part of the Piller group and export activities continue to be represented by Piller subsidiaries outside of the USA.

The newly formed company had a successful first year, despite the challenges presented by Covid-19, benefiting from freshly focused management. During the year the company launched and received the first order for its new Powerhouse™ product, which offers up to 1.2MW of 'plug & play' UPS built into a standard 40-foot (12 metre) ISO container.

Active Power Inc.'s Powerhouse™ – up to 1.2MW of 'plug & play' UPS built into a standard 40-foot (12 metre) ISO container.

Claudius Peters Division

Revenue: €80.2 million (2019: €98.8 million). Orders on hand: €28.5 million (2019: €43.9 million). Headquarters: Buxtehude, Germany. Employees: 459.

Claudius Peters, our materials handling and plant machinery builder – principally to the global cement, gypsum and iron & steel industries – started the year with a historically low order book and any optimism to significantly improve quickly evaporated as the pandemic took hold.

Claudius Peters posted a loss in 2019 for the first time since we acquired the business in 2001 and management was changed in the first quarter of 2020. The company is operating the joint Geschäftsführer model common in Germany and with which our Piller division has successfully operated for more than ten years now.

Responsibility for global sales and overseas subsidiaries rests with Kurt Herrmann, who hitherto successfully looked after the Claudius Peters' China subsidiary in Hong Kong and Beijing, while Frank Siefert, who was recruited from outside the organisation as CEO, has responsibility for operations.

Despite a significant Coronavirus related downturn in both the plant machinery and aircraft stringer businesses, the division overall posted a small profit for the year; a satisfactory outcome in the circumstances. Notable exceptions to the malaise were the China and US subsidiaries which both exceeded budget, as did the Romanian outpost.

Order intake is currently looking much more promising than a year ago with several major projects, delayed due to the pandemic, coming into the decision phase during the current quarter. With an operational overhaul now well under way, the future for Claudius Peters is looking more positive.

ARO Welding Technologies Division

Revenue: €71.4 million. (2019: €100.4 million). Orders on hand: €21.2 million. (2019: €17.8 million). Headquarters: Chateau-du-Loir, France. Employees: 459.

Despite revenues being down by some 30% on 2019, ARO – our producer of resistance welding equipment to the automotive industry – posted a positive and, in the circumstances, very acceptable profit for the year, albeit much reduced when compared with previous years.

There was a solid contribution from ARO France, the headquarters and principal manufacturing site, which operated under short-time working for much of the year. Meanwhile, ARO in the US performed remarkably well in the circumstances, exceeding its budget despite everything. ARO Benelux also exceeded its budget and ARO China, with its assembly facility in Wuhan, was worst hit. Smaller outposts in Spain, Brazil, Mexico, Slovakia and the UK collectively contributed positively and the subsidiary in Germany broke even after a late recovery.

Marelli Motori Division

Revenue: €98.2 million. (2019: €72.4 million – 7 months). Orders on hand: €29.9 million. (2019 €39.0 million). Headquarters: Arzignano, Italy. Employees: 631.

Marelli Motori – our manufacturer of electric motors and generators for the marine, oil & gas, power generation, co-generation and industrial sectors, based in northern Italy – was the first of our major manufacturing locations to be impacted by the Coronavirus, in March last year. Revenues for the Marelli group were expected to be around €125 million for 2020 but due to the pandemic were down by some 20% at just under €100 million.

Acquired in May 2019, Marelli operates circa 650,000 square feet (60,000 square metres) of dedicated electrical machinery manufacturing facilities in northern Italy and, until recently, a factory in Malaysia. The company has sales, distribution and service subsidiaries in the United States, Germany, and South Africa and an extended sales, distribution and service network across four continents, supplying its motors and generators in more than 120 countries.

For a number of years, the group was under performing whilst owned by private equity. However, under Langley stewardship the company underwent structural reorganisation in Italy during the latter half of 2019, giving rise to a €4.1 million non-recurring charge in the 2019 accounts. In June 2020 the decision was taken to discontinue manufacturing operations in Malaysia, giving rise to the €4.6 million non-recurring item in these accounts. The manufacturing operations in Malaysia ceased at the end of 2020 and equipment is being transferred to Italy during the current quarter. The Malaysian subsidiary is currently being relocated to smaller premises and will continue to operate as a final assembly and distribution hub for the region.

Manroland Sheetfed Division

Revenue: €214.7 million. (2019: €203.5 million). Orders on hand: €54.6 million. (2019: €61.2 million). Headquarters: Offenbach am Main, Germany. Employees: 1,412.

Manroland Sheetfed – our manufacturer of sheetfed offset litho printing presses – actually had a similar financial year in 2020 to 2019. The positive trend in order intake in the latter stages of 2019 continued in the first two months of 2020, January and February enjoying record intakes. Coronavirus impacted the business from March onwards and inflows remained subdued for the remainder of the year, although January 2021 has now seen a significant increase.

The factory in Offenbach operated short time working throughout the remainder of the year and currently remains on a reduced output. It is perhaps too early to say whether January 2021 marks the turning point in the crisis, but certainly the increase in the order intake is welcome and management are, as I write, 'opening the taps' in production in anticipation of continuing increased demand. It will take the remainder of this current quarter to ramp up production, but when the recovery comes, presses need to be available as quickly as possible.

Although the factory under-recovered in 2020, the market organisation subsidiaries – numbering over 40 companies worldwide – made a combined positive contribution, albeit not enough to compensate the factory shortfall.

On the product development front, the company announced its ROLAND 900 *Evolution* printing press, the latest iteration of its iconic large format press series, together with the ROLAND 700 *Evolution*, *Speed*, *Elite* and *Lite* variants. A culmination of several years of research and development, both the 700 and 900 series machines are considered state-of-the-art and technologically industry leading.

In the meantime, apprentice training continued unabated and trainees completing their apprenticeships were taken on permanently. The skills required to build these highly complex machines cannot be learned overnight and it would be short-sighted not to retain these skills, particularly in view of retirements in the coming years.

With growth in the packaging sector and emerging markets increasingly outweighing the decline in traditional commercial print markets, the outlook for Manroland is positive and I expect a much improved performance from the division in 2021.

Druck Chemie Division

Revenue: €59.4 million. (2019: €59.9 million). Headquarters: Ammerbuch, Germany. Employees: 297

Druck Chemie – our German print chemicals producer, together with its distribution subsidiaries in France, Italy, Spain, Belgium, Switzerland, the Czech Republic, Poland and the UK – had a very successful year, despite the pandemic.

From March, when demand from print shops across Europe plummeted, the company switched production of its alcohol-based products to hand sanitiser. The division more or less reached its revenue target and significantly overshot its profit target for the year. The UK operation continued to underperform and is currently under review, whilst Brazil closed one of its three distribution hubs and is expected to be profitable going forward. However, a very satisfactory result overall, thanks largely to adept lateral thinking by management.

Acquisition of HiTech & BluePrint

In December 2020 the division acquired HiTech Chemicals BV and BluePrint Products NL from Heidelberger Druckmaschinen AG, for €20.5 million in cash.

Kruibeke production facility, Belgium. Acquired in 2020.

The acquisition includes state-of-the-art production facilities in Kruibeke in Belgium that produce high quality printing chemicals for the flexographic, digital and offset printing sectors, complimenting Druck Chemie's offering to these sectors from its production facilities in Ammerbuch. The combined businesses are expected to generate circa €90 million of annual revenues going forward.

Other Businesses Division

Revenue: €71.0 million. (2019: €67.3 million). Orders on hand: €26.4 million. (2019 €18.8 million). Located: United Kingdom, Europe & United States. Employees: 477

Overall, our Other Businesses Division performed satisfactorily, largely either meeting or exceeding profit targets. Following the acquisition of HiTech / BluePrint in December, Druck Chemie has been moved out of Other Businesses to become a separate division in its own right.

Bradman Lake, the packaging machinery business had a successful year, with food packaging, its main area being one of the few sectors where demand actually increased during the pandemic. Revenue targets were more or less achieved and profits exceeded budget by around 10%. A satisfactory year.

Reader Cement Products, the UK cement blending and packing business, exceeded 100,000 tonnes of production for the fifth successive year with a favourable mix of business that resulted in the company's best year so far. Demand for home improvement products with a high proportion of own-brand product drove the result, culminating in a very satisfactory performance.

Clarke Chapman, the specialist materials handler, had another successful year, more or less matching its revenue, profit and order intake targets. Nuclear handling equipment for Sellafield, the British nuclear processor, together with services for the UK rail network and Ministry of Defence work, all made solid contributions, as did aftermarket sales. A very satisfactory outcome, particularly in view of Coronavirus limitations. 2021 looks set to be a similarly good year for Clarke Chapman.

Oakdale Homes, the local house builder, which has been part of the group since 1985, was the only one of our other businesses to post a negative operating result in 2020, albeit nominally. Construction came to a standstill at the beginning of the crisis and progress was hampered through the remainder of the year. However, there is plenty of unrecognised margin in the work-in-progress and this is expected to unwind in 2021.

Commercial Property Activities

Whilst reviewing our other businesses, mention should be made of the group's commercial property activities. Principally these are the operating properties of our subsidiaries, either held by the subsidiaries themselves or by group property holding companies and also include commercial properties let to third parties. Today, over 98% of the group's operating footprint is owned outright.

During the year alterations continued at both Senefelderhaus, the former office headquarters of Manroland AG and at ancillary buildings located in nearby Mühlheim. The final phase of work to the building, converting the facility into a training academy for the Bundespolizei, is expected to be completed and fully occupied in 2022. Work on the project began in 2018 and the properties are currently partially occupied.

During the year a contract to sell approximately 37 acres (15 hectares) of surplus land, adjacent to the Manroland factory in Offenbach, for development as a data centre was completed and circa €19 million of cash was received.

In the UK, part of a new warehouse development, built on surplus land at our Clarke Chapman site in the northeast of England, was let to the National Health Service to create one of several 'Lighthouse' Coronavirus testing laboratories. NHS England were given immediate access to commence their work in September and contracts were finally completed three months later.

One of 6 'Lighthouse' Covid-19 testing laboratories being built in the UK at the group's Baltic Park commercial property development in the northeast of England.

Work continued in 2020 at Manroland's Senefelderhaus facility on the police training academy conversion.

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Our People

As is customary, no review would be complete without mention of our employees, at the year-end numbering 4,661 worldwide. It is their hard work and commitment, never more so than in the last year, that makes the group what it is today.

Everyone within our organisation and their families has felt the impact of Coronavirus in one way or another. Whilst there have been remarkably few actual cases amongst our employees, sadly loved ones have been lost and my heart-felt sympathy goes to those families.

Unavoidably the crisis has meant there has been an economic impact on many of our employees. Throughout it has been my priority to preserve employment wherever possible but this has unavoidably meant some hardship and sacrifice and regrettably there were a high number of job losses in 2020. To all of those good people that we have had to let go during this extraordinary year, thank you for your service.

2020: the year of virtual communication

2020 was the year that meeting virtually became of age. It is almost two decades ago since video conference facilities were installed at our major locations, but it was in 2020, with the advent of Zoom and other platforms, that virtual meetings became commonplace within and outside of our organisation.

Since the onset of this pandemic I have spoken about an 'anxiety cocktail' caused by a combination of concerns over health and the health of loved ones, unprecedented social upheaval and economic uncertainty. My view is that the antidote to this toxic combination is face-to-face communication.

Not only is it good for people's wellbeing to communicate, it is also good management to be closely in touch with developments as they happen and from March last year I initiated regular and frequent Zoom meetings with my own reports and between them and their reports. During the year I have joined many of those virtual meetings to discuss first hand with our people on the front line how the crisis has been impacting our 80+ subsidiaries around the world and how we are managing the unique challenges the pandemic has presented. When navigating uncharted waters, all the more important to keep a hand firmly on the tiller.

With business travel all but impossible, this virtual medium has also been used extensively for meeting customers, suppliers and others. Of course virtual meetings can never replace face-to-face interaction entirely, but in a post-pandemic world the efficiency and savings in time and resource by eliminating travel and the impact that that has on costs and on the environment, I anticipate virtual meetings will continue to be a major part of the way in which business is conducted.

Going Green

Reducing environmental impact by increasing virtual communication is just one way the group is heading towards a greener future. In 2020 we began an initiative to substantially reduce the carbon footprint of our operations by 2030 and I will be reporting on progress on that subject in subsequent Chairman's Reviews.

Conclusion and Outlook

Writing now, a year on from the Coronavirus crisis beginning to unfold, it has become apparent that the long term impact of the pandemic will likely be with us for some time yet, possibly even years to come. Right now though, with widespread rollout of vaccines gathering pace, there is light at the end of the tunnel and my view is that following many months of restriction and business confidence at a low ebb, there is soon to be an economic pick-up as Covid liberation arrives.

Quite how sustainable this pick-up will be is another matter and only time will tell but whatever a post-Coronavirus future holds, I am confident that our businesses will adapt accordingly. Coronavirus put to one side, they all still face their own unique challenges and always will. However, for the time being the group has so far successfully navigated the single most challenging economic and social phenomena in living memory. I expect that the future will be managed as adeptly.

Anthony J Langley
Chairman
12th February 2021

Directors' Report

Year ended 31 December 2020

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The Directors present their report together with the audited Accounts of the Group for the year ended 31 December 2020.

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 14 to the Accounts.

RESULTS AND DIVIDENDS

The results of the Group for the year are set out on page 44. The profit attributable to the shareholder for the financial year was €17,810,000 (2019 – €41,733,000).

Dividends of €nil were paid to the ordinary shareholder during the year (2019 – €90,000,000). 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 31 days (2019 – 42 days).

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 2020 Ordinary shares of £1 each	At 31 Dec 2019 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 (%)
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:

Total energy consumption (KwH)	150,672
Associated GHG emissions (tCO_2e)	35,820
Turnover 2020 (€'000)	766,778
Intensity ratio (tCO_2eper €'000)	0.47

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.

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.

LANGLEY

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 in conformity with the requirements of the Companies Act 2006, and as regards the Parent Company Accounts, as applied in accordance with the provisions of the Companies Act 2006. 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 IFRSs as adopted by the European Union 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

12 February 2021

Strategic Report

Year ended 31 December 2020

The Directors present their Strategic Report for the year ended 31 December 2020 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 23 to 32 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 23 to 32. The financial position of the Group, its cash flows and liquidity position are also described in the Chairman's Review. In addition, note 31 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 31 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 BluePrint Products NV and Hi-Tech Chemicals BV 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

	2020	2019
	€'000	**€'000**
Orders on hand	220,169	254,300
Cash held	287,963	238,858

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 21. 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

Langley Holdings PLC
Registered in England and Wales
Company number 01321615

Independent Auditor's Report to the Member

Year ended 31 December 2020

LANGLEY

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 2020 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 International accounting standards in conformity with the requirements of the Companies Act 2006.

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 2020 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 International accounting standards in conformity with the requirements of the Companies Act 2006; 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 2020

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 35, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

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 2020

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

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 2021

Consolidated Income Statement

Year ended 31 December 2020

	Notes	2020 **€'000**	2019 **€'000**
REVENUE	2	766,778	820,194
Cost of sales		(541,164)	(558,679)
GROSS PROFIT		225,614	261,515
Net operating expenses	3	(202,066)	(207,887)
OPERATING PROFIT	4	23,548	53,628
OPERATING PROFIT BEFORE NON-RECURRING ITEMS		28,040	57,701
NON-RECURRING ITEMS	4	(4,492)	(4,073)
		23,548	53,628
Finance income	5	1,041	2,564
Finance costs	6	(542)	(355)
PROFIT BEFORE TAXATION		24,047	55,837
Income tax expense	10	(6,237)	(14,104)
PROFIT FOR THE YEAR		17,810	41,733

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

The notes on pages 52 to 114 form part of these accounts

Consolidated Statement of Other Comprehensive Income

Year ended 31 December 2020

	Notes	2020 €'000	2019 €'000
Profit for the year	2	17,810	41,733
Other comprehensive income:			
Items which will not be reclassified to profit and loss			
Re-measurement loss on defined benefit pension schemes	9	(229)	(1,422)
Deferred tax relating to re-measurement	29	45	20
		(184)	(1,402)
Other deferred tax movements	29	345	(4,068)
Gain on revaluation of properties	13	-	23,824
Items which may be reclassified to profit and loss			
Exchange differences on translation of foreign operations	37	(18,187)	14,703
Other comprehensive income for the year		(18,026)	33,057
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(216)	74,790

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

The notes on pages 52 to 114 form part of these accounts

Consolidated Statement of Financial Position

Year ended 31 December 2020

		2020		2019	
	Note	**€'000**	**€'000**	**€'000**	**€'000**
NON-CURRENT ASSETS					
Intangible assets	12		17,672		5,003
Property, plant and equipment	13		219,339		241,536
Investments	14		14		14
Investment properties	15		55,604		53,160
Trade and other receivables	16		3,272		2,426
Deferred income tax assets	29		34,950		28,205
			330,851		330,344
CURRENT ASSETS					
Inventories	17	188,625		214,685	
Trade and other receivables	19	159,400		182,655	
Cash and cash equivalents	20	287,963		238,858	
Current income tax recoverable	21	5,960		5,933	
Assets held for sale	22	–		16,782	
		641,948		658,913	
CURRENT LIABILITIES					
Current borrowings	26	721		–	
Current income tax liabilities	25	10,697		5,749	
Trade and other payables	23	176,866		194,652	
Provisions	24	19,324		16,728	
		207,608		217,129	
NET CURRENT ASSETS			434,340		441,784
Total assets less current liabilities			765,191		772,128
NON-CURRENT LIABILITIES					
Provisions	24	792		977	
Long term borrowings	26	177		–	
Trade and other payables	27	18,213		19,567	
Retirement benefit obligations	28	13,322		14,066	
Deferred income tax liabilities	29	25,509		30,124	
			58,013		64,734
NET ASSETS			707,178		707,394
EQUITY					
Share capital	34		71,227		71,227
Merger reserve	35		4,491		4,491
Revaluation reserve	36		27,436		28,920
Retained earnings	37		604,024		602,756
TOTAL EQUITY			707,178		707,394

Approved by the Board of Directors, and authorised for issue on and signed on its behalf by

ANTHONY J LANGLEY
Director

BERNARD J LANGLEY
Director

The notes on pages 52 to 114 form part of these accounts

Consolidated Statement of Changes in Equity

Year ended 31 December 2020

	Share Capital €'000	Merger Reserve €'000	Revaluation Reserve €'000	Retained Earnings* €'000	Total €'000
AT 1 JANUARY 2019	71,227	4,491	9,315	637,571	722,604
Profit for the year	–	–	–	41,733	41,733
Depreciation transfer	–	–	(151)	151	–
Currency exchange difference arising on retranslation	–	–	–	14,703	14,703
Re-measurement of defined benefit schemes net of deferred tax	–	–	–	(1,402)	(1,402)
Revaluation gain net of deferred tax	–	–	19,756	–	19,756
TOTAL COMPREHENSIVE INCOME	–	–	19,605	55,185	74,790
Dividends paid	–	–	–	(90,000)	(90,000)
AT 31 DECEMBER 2019	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)
Revaluation gain net of deferred tax	–	–	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

* Movements in foreign currency translation reserves are detailed in note 37.

The notes on pages 52 to 114 form part of these accounts

Company Statement of Financial Position

Year ended 31 December 2020

	Note	2020 €'000	2020 €'000	2019 €'000	2019 €'000
NON-CURRENT ASSETS					
Property, plant and equipment	13		17,528		20,006
Investments	14		80,998		93,550
Investment properties	15		11,926		12,902
			110,452		126,458
CURRENT ASSETS					
Inventories	17	8		5	
Trade and other receivables	19	241,474		234,272	
Cash and cash equivalents	20	125,816		146,432	
Current income tax recoverable	21	3,136		1,832	
		370,434		382,541	
CURRENT LIABILITIES					
Current income tax liabilities	25	–			–
Trade and other payables	23	4,072		3,694	
		4,072		3,694	
NET CURRENT ASSETS			366,362		378,847
Total assets less current liabilities			476,814		505,305
NON-CURRENT LIABILITIES					
Deferred income tax liabilities	29		329		305
NET ASSETS			476,485		505,000
EQUITY					
Share capital	34		71,227		71,227
Merger reserve	35		4,491		4,491
Retained earnings	37		400,767		429,282
TOTAL EQUITY			476,485		505,000

During the year ended 31 December 2020, the Company generated a loss of €9,481,000 (2019 – profit of €133,403,000).

Approved by the Board of Directors, and authorised for issue on and signed on its behalf by

ANTHONY J LANGLEY
Director

BERNARD J LANGLEY
Director

The notes on pages 52 to 114 form part of these accounts

Company Statement of Changes in Equity

Year ended 31 December 2020

	Share Capital €'000	Merger Reserve €'000	Retained Earnings* €'000	Total €'000
AT 1 JANUARY 2019	71,227	4,491	364,805	440,523
Profit for the year	–	–	133,403	133,403
Currency exchange differences arising on retranslation	–	–	21,074	21,074
TOTAL COMPREHENSIVE INCOME	–	–	154,477	154,477
Dividends paid	–	–	(90,000)	(90,000)
AT 31 DECEMBER 2019	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 OTHER COMPREHENSIVE INCOME	–	–	(28,515)	(28,515)
AT 31 DECEMBER 2020	71,227	4,491	400,767	476,485

* Movements in foreign currency translation reserves are detailed in note 37.

The notes on pages 52 to 114 form part of these accounts

Consolidated Statement of Cash Flows

Year ended 31 December 2020

	Note	2020 €'000	2020 €'000	2019 €'000	2019 €'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash (used in)/generated from operations	38		81,536		(31,610)
Bank and loan interest paid			(366)		(298)
Interest received			1,041		2,564
Income taxes paid			(12,286)		(19,388)
NET CASH GENERATED FROM / (USED IN) OPERATING ACTIVITIES			69,925		(48,732)
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash acquired on business combinations	11	3,605		6,812	
Purchase of business combination	11	(20,522)		–	
Purchase of intangible assets	12	(219)		(2,250)	
Purchase of property, plant and equipment	13	(6,627)		(14,088)	
Purchase of investment properties	15	–		(219)	
Proceeds from sale of available for sale properties		16,782		–	
Proceeds from sale of property, plant and equipment		1,279		854	
NET CASH USED IN INVESTING ACTIVITIES			(5,702)		(8,891)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds of new bank loans		898		–	
Repayment of bank loans		–		(39)	
Principal payment of lease liabilities		(4,628)		(4,061)	
Dividends paid		–		(90,000)	
NET CASH USED IN FINANCING ACTIVITIES			(3,730)		(94,100)
Net increase / (decrease) in cash and cash equivalents			60,493		(151,723)
Cash and cash equivalents at 1 January 2020			238,858		379,541
Effects of exchange rate changes on cash and cash equivalents			(11,388)		11,040
Cash and cash equivalents at 31 December 2020			287,963		238,858
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short-term deposits	20		287,963		238,858

The notes on pages 52 to 114 form part of these accounts

Company Statement of Cash Flows

Year ended 31 December 2020

	Note	2020 €'000	2020 €'000	2019 €'000	2019 €'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash used in operations	38		(11,342)		(109,829)
Interest received			8,855		9,085
Income taxes paid			(4,675)		(4,009)
NET CASH USED IN OPERATING ACTIVITIES			(7,162)		(104,753)
CASH FLOWS FROM INVESTING ACTIVITIES					
Dividends received		–		137,223	
Purchase of intangible assets		–		(20,000)	
Purchase of property, plant and equipment	13	(351)		(251)	
Purchase of investment properties	15	–		(219)	
Proceeds from sale of property, plant and equipment		222		63	
NET CASH (USED IN) / GENERATED BY INVESTING ACTIVITIES			(129)		116,816
CASH FLOWS FROM FINANCING ACTIVITIES					
Dividends paid		–		(90,000)	
NET CASH USED IN FINANCING ACTIVITIES			–		(90,000)
Net decrease in cash and cash equivalents			(7,291)		(77,937)
Cash and cash equivalents at 1 January 2019			146,432		217,037
Effects of exchange rate changes on cash and cash equivalents			(13,325)		7,332
Cash and cash equivalents at 31 December 2019			125,816		146,432
CASH AND CASH EQUIVALENTS CONSISTS OF:					
Cash in hand, at bank and short-term deposits	20		125,816		146,432

The notes on pages 52 to 114 form part of these accounts

Notes to the Accounts

Year ended 31 December 2020

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 have been prepared in accordance with International accounting standards in conformity with the requirements of the Companies Act 2006 and applied to the parent Company Accounts in accordance with the provisions of the Companies Act 2006.

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 2020

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 2020 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. 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 Assets held for sale

Non-current assets are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell.

An impairment loss is recognised for any initial measurement or subsequent write-down of the asset to fair value less costs to sell. Any impairment loss is recognised in the Consolidated Income Statement, unless the asset had been measured at revalued amount in which case the impairment is treated as a revaluation decrease. A gain is recognised for any subsequent increases in fair value less costs to sell of an asset. Any gain is recognised in the Consolidated Income Statement to the extent that it is not in excess of the cumulative impairment loss.

Non-current assets are not depreciated while they are held for sale.

Non-current assets classified as held for sale are presented separately from the other assets in the statement of financial position.

h 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:

1 **ACCOUNTING POLICIES (*continued*)**

h **Financial instruments (*continued*)**

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.

i **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.

j **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.

k **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.

1 **ACCOUNTING POLICIES (*continued*)**

k **Revenue recognition *(continued)***

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.

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.

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1 ACCOUNTING POLICIES *(continued)*

k Revenue recognition *(continued)*

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.

l 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.

m Foreign currencies

Transactions and balances

Transactions in currencies other than euro 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, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in equity.

1 ACCOUNTING POLICIES *(continued)*

m Foreign currencies *(continued)*

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. Exchange differences arising, if any, are classified as equity and transferred to a separate component of equity.

The average exchange rate during the year was €1.12 (2019 – €1.14, 2018 – €1.13) to the Pound Sterling. The opening exchange rate was €1.17 (2019 – €1.11, 2018 – €1.13) to the Pound Sterling and the closing exchange rate was €1.10 (2019 – €1.17, 2018 – €1.11) to the Pound Sterling.

n 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.

o 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.

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1 ACCOUNTING POLICIES *(continued)*

o Post-employment benefit obligations *(continued)*

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.

p 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.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss a constant periodic rate of interest on the remaining balance of the liability for each period.

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.

q 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.

1 ACCOUNTING POLICIES *(continued)*

r 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.

s 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 Shareholder.

t 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.

u Government grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

v 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. The Group's policies for the recognition of revenue and profit are set out above.

1 ACCOUNTING POLICIES *(continued)*

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

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.

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.

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 circumstances indicate that the carrying amount may not be recoverable. When a review for 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 29 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.

2 REVENUE

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

	2020 €'000	2019 €'000
Revenue from construction contracts	135,619	169,131
Sale of goods	631,159	651,063
	766,778	820,194

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

	2020 €'000	2019 €'000
Manroland Sheetfed	214,718	203,502
Piller	171,758	217,897
ARO	71,414	100,412
Claudius Peters	80,247	98,784
Druck Chemie	59,424	59,853
Marelli	98,180	72,395
Other businesses	71,037	67,351
	766,778	820,194

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

3 ANALYSIS OF NET OPERATING EXPENSES

	2020 €'000	2019 €'000
Distribution costs	54,264	54,388
Administrative expenses	161,802	177,773
Other operating income	(10,644)	(5,071)
Gain on revaluation of investment properties	(3,356)	(19,203)
Net operating expenses	202,066	207,887

4 OPERATING PROFIT

	2020 €'000	2019 €'000
Operating profit has been arrived at after charging:		
Directors' emoluments (note 7)	1,314	2,393
Depreciation of owned assets (note 13)	20,036	17,67
Depreciation of right-of-use assets (note 13)	3,823	3,179
Impairment of owned assets (note 13)	5,611	400
Amortisation of intangibles (note 12)	850	1,080
Impairment of intangibles (note 12)	1	1,661
Government grants	(10,252)	(687)
Research and development costs	7,120	8,003
Profit on sale of property, plant and equipment	(810)	(399)
Profit on disposal of assets held for sale	(500)	–
Fees payable to the Group's auditor for the audit of the Group's Accounts	131	129
Fees payable to the Group's auditor and its associates for other services		
– the auditing of Subsidiary Accounts	1,212	1,028
– other services relating to taxation compliance	180	163
– all other services	138	100
Impairment of trade receivables	885	2,158
Impairment of inventories	1,611	1,193
Cost of inventories recognised as an expense (included in cost of sales)	375,766	372,760
Net (loss) on foreign currency translation	(3,792)	(451)

Non-recurring items of €4,492,000 (2019 – €4,073,000) disclosed separately in the Consolidated Income Statement comprise costs relating to the reorganisation and reconstruction of the Malaysian operations. The 2019 non-recurring item relates to the Marelli acquisition.

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

	2020 €'000	2019 €'000
Bank interest receivable	1,041	2,4245
Other interest receivable	–	140
	1,041	2,564

6 FINANCE COSTS

	2020 €'000	2019 €'000
Interest relating to lease liabilities	176	57
Other interest	366	298
	542	355

7 KEY MANAGEMENT PERSONNEL COMPENSATION

	2020 €'000	2019 €'000
Salaries and short-term employee benefits	1,204	2,458
Post-employment benefits	3	3
	1,207	2,461

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

Directors' emoluments

	2020 €'000	2019 €'000
Aggregate emoluments as Directors of the Company	1,131	2,390
Value of Group pension contributions to money purchase schemes	3	3
	1,134	2,393
Emoluments of the highest paid Director	429	1,740
	No.	**No.**
Number of Directors who are accruing benefits under money purchase pension schemes	2	2

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8 EMPLOYEE NUMBERS AND COSTS

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

	2020 No.	2019 No.
Management, office and sales	2,323	2,276
Manufacturing and direct labour	2,407	2,164
	4,730	4,440

The aggregate payroll costs of these persons were as follows:

	2020 €'000	2019 €'000
Wages and salaries	215,067	236,388
Social security costs	46,305	50,782
Other pension costs	3,783	4,448
	265,155	291,618

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

	2020 No.	2019 No.
Management, office and sales	26	29

The aggregate payroll costs of these persons were as follows:

	2020 €'000	2019 €'000
Wages and salaries	1,241	1,253
Social security costs	147	173
Other pension costs	50	64
	1,438	1,490

9 POST-EMPLOYMENT BENEFITS

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

	2020 €'000	2019 €'000
Statement of financial position obligations for:		
Defined pension benefits	(10,660)	(11,137)
Post-employment medical benefits	(2,662)	(2,929)
Liability in the statement of financial position	(13,322)	(14,066)
Income statement (charge)/credit included in operating expenses for:		
Defined pension benefits	(285)	540
Post-employment medical benefits	132	130
	(153)	670
Re-measurements (charge)/credit for:		
Defined pension benefits	(229)	281
Post-employment medical benefits	–	72
	(229)	353

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:

	2020 **€'000**	2019 **€'000**
Present value of funded obligations	(19,615)	(18,699)
Fair value of plan assets	18,898	19,266
Net (deficit) / surplus on funded plans	(717)	567
Present value of unfunded obligations	(9,920)	(10,572)
Total deficit of defined benefit pension plans	(10,637)	(10,005)
Impact of asset ceiling	(23)	(1,132)
Liability in the statement of financial position	(10,660)	(11,137)

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:

	2020 **€'000**	2019 **€'000**
Current service cost	337	(695)
Past service cost	(23)	116
Net interest cost	(29)	39
	285	(540)

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:

	2020	2019
	€'000	**€'000**
Loss from changes in financial assumptions	(2,138)	(1,979)
Gain/(loss) from changes in demographic assumptions	(11)	29
Experience gains	(7)	18
Return on assets, excluding interest income	790	1,590
Change in the effect of the asset ceiling excluding interest income	1,137	(1,057)
	(229)	(1,399)

Changes in present value of obligations:

	2020	2019
	€'000	**€'000**
Present value of obligations at start of the year	(29,271)	(23,733))
On acquisition	–	(2,741)
Current service cost	337	(695)
Past service cost	(23)	116
Interest cost	(371)	39
Acturial (loss)/gain on scheme liabilities based on:		
- Changes in financial assumptions	(2,138)	(1,979)
- Changes in demographic assumptions	(11)	29
- Experience gains	(7)	18
- Benefits paid	825	1,244
Exchange differences	1,124	(1,569)
Present value of obligation at end of the year	(29,535)	(29,271)

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

a) **Defined benefit pension schemes *(continued)***

Changes in the fair value of scheme assets:

	2020 **€'000**	2019 **€'000**
Fair value of scheme assets at the start of the year	19,266	15,767
Interest income	362	483
Re-measurement of scheme assets	790	1,590
Contributions by employers	76	1,807
Benefits paid	(501)	(1,244)
Exchange differences	(1,095)	863
Fair value of scheme assets at the end of the year	18,898	19,266

The significant actuarial assumptions were as follows:

	2020		2019	
	UK	**Eurozone**	**UK**	**Eurozone**
Rate of increase in salaries	–	1.83%	–	1.83%
Discount rate	1.20%	0.50-1.63%	1.90-2.00%	0.50-1.63%
Inflation	3.10%	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 2020 was 2.0-2.3%.

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:

	2020	2019
Retiring at the end of the reporting period:		
Male	22 - 23 years	22 years
Female	24 years	24 - 25 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 3.7 – 4.2%	Increase obligation by 3.7 – 4.2%
Inflation	0.25%	Increase obligation by 0.2 – 3.0%	Decrease obligation by 0.2 – 3.0%
Life expectancy	1 year	Increase obligation by 5.1 – 5.4%	Decrease obligation by 5.1 – 5.4%

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:

	2020 **€'000**	2019 **€'000**
Present value of unfunded obligations	(2,662)	(2,929)
Liability in the statement of financial position	(2,662)	(2,929)

9 POST-EMPLOYMENT BENEFITS *(continued)*

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

Changes in the present value of defined benefit obligations:

	2020 €'000	2019 €'000
Present value of obligation at the start of the year	(2,929)	(3,169)
The amount recognised in the income statement:		
Current service cost	(118)	(112)
Interest expense	(15)	(18)
	(133)	(130)
Re-measurements of the net defined benefit liability to be shown in other comprehensive income:		
Gain from change in demographic assumptions	3	70
gain/(loss) from change in financial assumptions	(3)	(93)
	–	(23)
Other movement	15	77
Payments from scheme contributions – benefit payments	227	385
Exchange differences	158	(69)
Present value of obligations at the end of the year	(2,662)	(2,929)

c) Post-employment benefits (pension and medical)

Schemes' assets are comprised as follows:

	2020 Total €'000	2020 %	2019 Total €'000	2019 %
Equity instruments	**11,653**	**62%**	**11,989**	**62%**
Equities and equity funds	4,882		5,160	
Diversified growth fund	6,771		6,829	
Debt instruments	**6,503**	**34%**	**6,156**	**32%**
Government	4,221		3,940	
Corporate bonds (investment grade)	2,282		2,216	
Property	203	1%	173	1%
Cash and cash equivalents	539	3%	948	5%
Total	18,898	100%	19,266	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 2020 consist of equities and bonds, although the Group also invests in property and cash.

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

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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 2021 are €nil.

The weighted average duration of the defined benefit obligation is 17 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, totaled €2,640,000 (2019 – €4,448,000).

10 INCOME TAX EXPENSE

(a) Charge for the year	2020	2019
	€'000	**€'000**
Current income tax:		
UK corporation tax at 19% (2019 – 19%)	3,850	1,845
Overseas tax	14,430	17,585
Adjustments to prior year UK tax	31	226
Adjustments to prior year overseas tax	(966)	(1,181)
Total current taxation	17,345	18,475
Deferred income tax:		
Movement in overseas deferred tax	(10,612)	(4,515)
Movement in UK deferred tax	(496)	144
Total deferred taxation	(11,108)	(4,371)
Income tax expense	6,237	14,104

10 INCOME TAX EXPENSE *(continued)*

(b) Factors affecting tax expense	2020 **€'000**	2019 **€'000**
Profit before taxation	24,047	55,837
Profit before taxation multiplied by the standard rate of tax of 19% (2018 – 19 %)	4,569	10,609
Expenses not deductible for tax purposes	–	928
Effect of foreign tax rates	4,340	(1,272)
Deferred tax assets not recognised	(10,382)	604
Income not taxable	–	(2)
Other overseas taxes	(3,675)	4,318
Adjustment to tax charge in previous period	1,196	(1,074)
Timing differences	(1,668)	–
Exchange adjustment	(617)	(7)
Tax expense	6,237	14,104

(c) Factors that may affect future tax charges

The Group had UK tax losses of approximately €6,319,650 at 31 December 2020 (2019 – €6,006,903) available for carry forward against future trading profits. In addition, the Claudius Peters Group had overseas tax losses of approximately €6,646,000 at 31 December 2020 (2019 – €6,339,000), the Manroland Group €171,296,000 (2019 – €151,438,000), the Druck Chemie Group €6,451,000 (2019 – €7,055,000), the Bradman Lake Group €1,403,000 (2019 – €1,705,357), the Piller Group €2,194,000 (2019 – €2,619,000) and the Marelli Group €57,013,000 – (2019 – €45,790,000) available for carry forward against future trading profits of that Group.

(d) Impact of future tax rate changes

The main rate of corporation tax in the UK is expected to remain at 19%.

11 ACQUISITIONS DURING THE PERIOD

BluePrint Products NV ("BPP") and Hi-Tech Chemicals BV ("HTC") were acquired on 11 December 2020 by DC Druck Chemie GmbH.

On this date, Langley Holdings Plc purchased 100% of the share capital of both companies.

BPP is a chemical manufacturing company and HTC specializes in coatings used by the packaging, labeling and printing industries.

The acquisition of BPP and HTC enables the Group to provide complementary goods and services to the Group's existing offering in similar markets.

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

	Fair value of net assets acquired
	€'000
Goodwill	13,630
Cash & cash equivalents	3,605
Inventories	1,826
Property, plant and equipment	2,045
Other assets	2,873
Provisions	(956)
Other liabilities	(2,501)
Net assets	20,522
Cash consideration	(20,522)

Had the acquisition occurred on 1 January 2020, BPP and HTC would have contributed revenue on aggregate of €27,528,000 and a profit of €3,694,000 to the wider group results. The result excludes the fair value adjustments and associated acquisition costs.

The post-acquisition revenue of BPP and HTC were €1,488,000. BPP and HTC generated a profit of €199,000 in the post-acquisition period (excluding related restructuring costs).

12 INTANGIBLE ASSETS

GROUP	Positive Goodwill €'000	Patents and Licences €'000	Total €'000
Cost			
At 1 January 2020	2,535	10,421	12,956
Additions	–	219	219
Disposal	–	(12)	(12)
On acquisition	13,630	2	13,632
Exchange adjustment	(245)	(131)	(376)
At 31 December 2020	15,920	10,499	26,419
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	–	8,747	8,747
Net book values			
At 31 December 2020	15,920	1,752	17,672
At 31 December 2019	2,535	2,468	5,003
Cost			
At 1 January 2019	2,535	5,570	8,105
Additions	–	2,250	2,250
On acquisition	–	2,522	2,522
Exchange adjustment	–	27	27
At 31 December 2019	2,535	10,421	12,956

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12 INTANGIBLE ASSETS *(continued)*

Aggregate impairment and amortisation			
At 1 January 2019	–	5,185	5,185
Amortisation charge for the year	–	1,080	1,080
Impairment	–	1,661	1,661
Exchange adjustment	–	27	27
At 31 December 2019	–	7,953	7,953
Net book values			
At 31 December 2019	2,535	2,468	5,003
At 31 December 2018	2,535	385	2,920

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 2020	199,985	154,890	59,106	18,531	432,512
Additions – right-of-use assets	1,829	500	11	27	2,367
Additions – owned assets	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 (note 15)	(1,387)	–	–	–	(1,387)
Exchange adjustments	(2,220)	(4,378)	(2,759)	(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 (note 15)	(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

13 PROPERTY, PLANT AND EQUIPMENT *(continued)*

GROUP	Freehold Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
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
Cost or valuation					
At 1 January 2019	150,374	132,393	55,535	17,156	355,458
Adjustments – right-of-use assets	14,093	103	102	23	14,321
Additions	3,678	5,264	3,762	1,384	14,088
On acquisition	21,067	19,194	–	–	40,261
Disposals	(24)	(2,051)	(2,475)	(837)	(5,387)
Revaluation	23,824	–	–	–	23,824
Transfers	(15,700)	–	–	–	(15,700)
Exchange adjustments	2,673	(13)	2,182)	805	5,647
At 31 December 2019	199,985	154,890	59,106	18,531	432,512
Depreciation					
At 1 January 2019	51,530	85,460	20,270	15,142	172,402
Charge for the year – owned assets	3,836	8,187	4,782	870	17,675
Charge for the year – right-of-use assets	3,099	–	57	23	3,179
Impairment	–	–	400	–	400
Disposals	(55)	(2,018)	(2,034)	(825)	(4,932)
Exchange adjustments	1,100	(339)	699	792	2,252
At 31 December 2019	59,510	91,290	24,174	16,002	190,976
Net book amount					
At 31 December 2019	140,475	63,600	34,932	2,529	241,536
At 31 December 2018	98,844	46,933	35,265	2,014	183,056

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 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
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
Cost or valuation					
At 1 January 2019	23,895	7,053	2,813	315	34,076
Additions	-	116	124	11	251
Disposals	-	(91)	(182)	(18)	(291)
Transfers	(5,299)	-	-	-	(5,299)
Exchange adjustments	1,185	349	153	56	1,743
At 31 December 2019	19,781	7,427	2,908	364	30,480

13 PROPERTY, PLANT AND EQUIPMENT *(continued)*

COMPANY	Freehold Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Depreciation					
At 1 January 2019	3,220	3,133	1,684	296	8,333
Disposals	–	(91)	(146)	(18)	(255)
Charge for the year – owned assets	823	602	465	10	1,900
Exchange adjustments	197	146	101	52	496
At 31 December 2019	4,240	3,790	2,104	340	10,474
Net book amount					
At 31 December 2019	15,541	3,637	804	24	20,006
At 31 December 2018	20,675	3,920	1,129	19	25,743

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	2020 €'000	2019 €'000
Freehold land and buildings		
Cost	181,394	180,859
Aggregate depreciation and impairment	58,846	58,266

14 NON-CURRENT INVESTMENTS

	Group	Company
	Shares in unlisted undertakings	Shares in group undertakings
	€'000	€'000
COST		
At 1 January 2020	14	100,810
Exchange adjustment	–	(5,681)
At 31 December 2020	14	95,129
IMPAIRMENT		
At 1 January 2020	–	7,260
Charge for the year	–	7,395
Exchange adjustment	–	(524)
At 31 December 2020	–	14,131
CARRYING AMOUNT		
At 31 December 2020	14	80,998
At 31 December 2019	14	93,550

The impairment recognised during the year was to reduce the value of the company's investment in the Marelli division down to its recoverable amount.

A list of wholly owned unlisted subsidiary companies at 31 December 2020 is provided in note 40.

15 INVESTMENT PROPERTIES

	Group	
	2020	2019
	€'000	€'000
Balance at the beginning of the year	53,160	17,676
Additions	–	219
Disposals	(146)	–
Transfers (note 13)	274	15,700
Revaluation	3,356	19,203
Exchange adjustments	(1,040)	362
Balance at the end of the year	55,604	53,160

15 INVESTMENT PROPERTIES *(continued)*

	Company	
	2019	2019
	€'000	**€'000**
Balance at the beginning of the year	12,902	5,676
Additions	–	219
Transfers	–	5,300
Revaluation	–	1,347
Exchange adjustments	(976)	360
Balance at the end of the year	11,926	12,902

Rental income from the Group investment properties for the year totalled €2,425,000 (2019 – €1,728,000).

16 NON-CURRENT TRADE AND OTHER RECEIVABLES

	Group	
	2020	2019
	€'000	**€'000**
Trade and other receivables	2,054	1,863
Other receivables	646	–
Pension scheme prepayment	572	563
	3,272	2,426

17 INVENTORIES

	Group		Company	
	2020	2019	2020	2019
	€'000	**€'000**	**€'000**	**€'000**
Raw materials	78,219	96,993	–	–
Work in progress	70,741	78,635	–	–
Finished goods	39,665	39,057	8	5
	188,625	214,685	8	5

18 CONSTRUCTION WORK IN PROGRESS

Contracts in progress at the year end:

	Group	
	2020	2019
	€'000	**€'000**
Amounts due from contract customers included in trade and other receivables (note 19)	24,284	21,653
Amounts due to contract customers included in trade and other payables (note 23)	(4,741)	(3,218)
	19,543	18,435
Contract costs incurred plus recognised profit less recognised losses to date	163,902	146,144
Less: Progress billings	(144,359)	(127,709)
	19,543	18,435

19 CURRENT TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	€'000	**€'000**	**€'000**	**€'000**
Trade receivables	102,836	131,334	21	250
Retentions	4,854	3,836	–	–
Amounts recoverable on construction contracts	24,284	21,653	–	–
Amounts owed by Group undertakings	–	–	238,871	231,681
Directors' current accounts	574	1	574	1
Other receivables	9,673	8,082	1,209	1,043
VAT recoverable	4,577	4,824	427	382
Prepayments	12,602	12,925	372	915
	159,400	182,655	241,474	234,272

For terms and conditions relating to related party receivables, refer to note 33.

19 CURRENT TRADE AND OTHER RECEIVABLES *(continued)*

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

	Group 2020 €'000	Group 2019 €'000
Balance at beginning of the year	13,213	11,303
On acquisition	–	1,583
Exchange differences	(5)	82
Charge for the year	322	1,261
Unused amounts reversed	(885)	(1,016)
Balance at end of the year	12,645	13,213

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.

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 €'000	31-60 days €'000	61-90 days €'000	91-120 days €'000	>121 days €'000
Group					
2020	45,604	5,542	3,390	2,328	9,453
2019	28,444	8,464	4,939	1,328	3,404
Company					
2020	21	–	–	–	–
2019	–	21	–	4	220

20 CASH AND CASH EQUIVALENTS

	Group		Company	
	2020	2019	2020	2019
	€'000	**€'000**	**€'000**	**€'000**
Cash in hand, at bank and short term deposits	287,963	238,858	125,816	146,432

21 CURRENT INCOME TAX RECOVERABLE

	Group		Company	
	2020	2019	2020	2019
	€'000	**€'000**	**€'000**	**€'000**
Income tax	5,960	5,933	3,136	1,832

22 ASSETS HELD FOR SALE

	Group	
	2020	2019
	€'000	**€'000**
Balance at the beginning of the year	16,782	16,782
Sold during the year	(16,782)	–
Balance at the end of the year	–	16,782

Amounts included in assets held for sale relate to a property held within the Group where the sale to a third party has been agreed, but the legal formalisation is still in process at the prior year end. This sale was completed during the year.

23 CURRENT TRADE AND OTHER PAYABLES

	Group		Company	
	2020	2019	2020	2019
	€'000	**€'000**	**€'000**	**€'000**
Trade payables	45,906	63,757	709	453
Other payables	8,682	8,084	509	80
Other taxes and social security	9,023	9,694	52	60
Accruals and deferred income	62,963	70,595	331	505
VAT payable	6,172	5,899	–	–
Amounts owed to Group undertakings	–	–	1,670	1,775
Payments on account	36,095	29,021	–	–
Amounts due on construction contracts	4,741	3,218	–	–
Directors' loan account	801	821	801	821
Lease liabilities	2,483	3,563	–	–
	176,866	194,652	4,072	3,694

24 PROVISIONS

GROUP	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

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24 PROVISIONS *(continued)*

	Warranty Provision €'000	Other Provision €'000	Total €'000
Balance at 1 January 2019	16,503	3,092	19,595
Additional provision recognised	8,214	5,606	13,820
Acquisition	534	669	1,203
Provision utilised during the year	(9,625)	(1,784)	(11,409)
Provision released during year	(3,382)	(2,275)	(5,657)
Foreign exchange difference	170	(17)	153
Balance at 31 December 2019	12,414	5,291	17,705
Current	11,537	5,191	16,728
Non-current	877	100	977

The warranty provision is arrived at using estimates from historical warranty data. The other provision includes specific claims, redundancy and restructuring provisions.

There were no provisions in the Company.

25 CURRENT INCOME TAX LIABILITIES

	Group		Company	
	2020 €'000	2019 €'000	2020 €'000	2019 €'000
Income tax	10,697	5,749	–	–

26 BORROWINGS

	Group	
	2020 €'000	2019 €'000
Loans – current	721	–
Loans – non-current	177	–
Total	898	–

Notes to the Accounts (continued)

Year ended 31 December 2020

27 NON-CURRENT TRADE AND OTHER PAYABLES

	Group	
	2020	2019
	€'000	**€'000**
Trade payables	521	453
Accruals and deferred income	11,943	12,360
Lease liabilities	5,749	6,754
	18,213	19,567

28 RETIREMENT BENEFIT OBLIGATIONS

GROUP	2020	2019
	€'000	**€'000**
At 1 January 2020	14,066	11,400
On acquisition	–	2,741
Total expense recognised in the Income Statement in the year	(153)	670
Actuarial losses/(gains) – financial assumptions	2,141	1,979
Actuarial gains – demographic assumptions	8	(29)
Actuarial (gains)/losses – experience	7	(18)
Return on assets	(811)	–
Changes in the effect of asset ceiling	(1,128)	(1,399)
Contributions paid	(63)	(2,269)
Payments from the plan	(580)	–
Exchange differences	(165)	991
At 31 December 2020	13,322	14,066

UK defined benefit pension schemes	229	–
Overseas unfunded defined benefit pension obligations	10,431	11,137
Overseas unfunded medical benefits obligations	2,662	2,929
Retirement benefit obligation in balance sheet	13,322	14,066

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29 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	
	2020	2019	2020	2019
	€'000	**€'000**	**€'000**	**€'000**
Deferred tax assets	34,950	28,205	–	–
Deferred tax liabilities	(25,509)	(30,124)	(329)	(305)
	9,441	(1,919)	(329)	(305)

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

	Group		Company	
	2020	2019	2020	2019
	€'000	**€'000**	**€'000**	**€'000**
At 1 January 2020	(1,919)	(2,738)	(305)	(130)
On acquisition	–	365	–	–
Movement on revaluation	345	(4,068)	–	–
Exchange differences	(138)	131	–	(11)
Income Statement credit	11,108	4,371	(24)	(164)
Release to equity on actuarial loss	45	20	–	–
At 31 December 2020	9,441	(1,919)	(329)	(305)

29 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 2019	4,105	(4,122)	(5,952)	(1,880)	10,587	2,738
Charge/(credit) to income statement	678	(11,226)	4,217	(983)	2,943	(4,371)
On acquisition	–	–	(365)	–	–	(365)
Transfer to revaluation	–	–	–	–	4,068	4,068
Recognised in equity regarding re-measurement of defined benefit scheme	–	–	–	(20)	–	(20)
Movement on revaluation	–	–	–	–	–	–
Exchange differences	(280)	(206)	371	99	(527)	(131)
At 31 December 2019	4,503	(15,142)	(1,729)	(2,784)	17,071	1,919
Gross assets	(396)	(15,142)	(9,883)	(2,784)	–	(28,205)
Gross liabilities	4,899	–	8,154	–	17,071	30,124
(Credit)/charge to income statement	(671)	(5,968)	(1,611)	(12)	(2,846)	(11,108)
On acquisition	–	–	–	–	–	–
Transfer to revaluation reserve	–	–	–	–	(345)	(345)
Recognised in equity regarding re-measurement of defined benefit scheme	–	–	–	(45)	–	(45)
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

29 DEFERRED INCOME TAX *(continued)*

COMPANY

	Accelerated capital allowances
	€'000
At 1 January 2019	130
Credit to income statement	164
Exchange differences	11
At 31 December 2019	305
Credit to income statement	24
Exchange differences	–
At 31 December 2020	329

Unprovided deferred taxation

	Group		Company	
	2020	2019	2020	2019
	€'000	**€'000**	**€'000**	**€'000**
Other short term differences	40,758	40,178	–	–
Tax losses	212	576	–	–
Retirement benefit obligation	170	167	–	–
	41,140	40,921	–	–

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.

30 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.

31 FINANCIAL INSTRUMENTS

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

	Group		Company	
	2020	2019	2020	2019
	€'000	**€'000**	**€'000**	**€'000**
Financial assets measured at amortised cost	144,921	166,769	240,674	232,975
Financial liabilities measured at amortised cost	126,296	150,809	4,019	3,634

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.

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31 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**
2020	+20%	(680)	+20%	1,543	+20%	(197)
	-20%	1,020	-20%	(2,315)	-20%	296
2019	+20%	(527)	+20%	2,605	+20%	1,627
	-20%	728	-20%	(1,737)	-20%	(1,089)

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

TThe 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 €287,963,000 (2019 – €238,858,000) and interest earned on cash balances averaged 0.34% (2019 – 0.8%) 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.

32 FAIR VALUE MEASUREMENTS

As at 31 December 2020 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**
	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
Freehold property – Assets held for sale	–	–	–	–
	–	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

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32 FAIR VALUE MEASUREMENTS (continued)

GROUP Recurring fair value measurements	Level 1 2019 €'000	Level 2 2019 €'000	Level 3 2019 €'000	Total 2019 €'000
Freehold property – P, P and E	–	140,475	–	140,475
Freehold property – Investment properties	–	53,160	–	53,160
Freehold property – Assets held for sale	–	16,782	–	16,782
	–	210,417	–	210,417

COMPANY Recurring fair value measurements	Level 1 2019 €'000	Level 2 2019 €'000	Level 3 2019 €'000	Total 2019 €'000
Freehold property – P, P and E	–	15,541	–	15,541
Freehold property – Investment Properties	–	12,902	–	12,902
	–	28,443	–	28,443

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 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	Valuation technique	Significant input

32 FAIR VALUE MEASUREMENTS (continued)

GROUP	Fair value at 31 Dec 2019 €'000	Valuation technique	Significant input
Property, plant and equipment – Freehold property	140,475	Market comparable approach	Market price per square metre for comparable properties
Investment properties – Freehold property	53,160	Rental yields	Expected future rental income
Assets held for sale – Freehold property	16,782	Market value	Agreed selling price to a third party

COMPANY	Fair value at 31 Dec 2019 €'000	Valuation technique	Significant input
Property, plant and equipment – Freehold property	15,541	Market comparable approach	Market price per square metre for comparable properties
Investment properties – Freehold property	12,902	Rental yields	Expected future rental income

33 RELATED PARTY TRANSACTIONS

At 31 December 2020, the Directors of the Company and their close family owed €979,000 to the Company (2019 – €216,000 owed to the Company). The maximum overdrawn balance during the year was €3,511,311 (2019 – €1,072,267).

During the year, the Company invoiced management charges of €3,471,000 (2019 – €8,936,000) and provided funding to Group companies with the following amounts outstanding at the year end.

	Amount outstanding at the year end	
	2020	2019
	€'000	**€'000**
COMPANY		
The ARO group of companies	(321)	11
The Bradman Lake group of companies	38	222
The Claudius Peters group of companies	29,112	27,714
The Piller group of companies	38,169	40,796
The Manroland group of companies	55,763	37,442
CPVA GmbH	1,050	20,266
Sheetfed Holdings Limited	–	1
The Druck Chemie group of companies	18,628	158
Retford Investments LLC	16,720	19,053
Langley Aviation Limited	20,583	26,753
The Marelli group of companies	47,579	46,031
Other group companies	9,880	11,459
	237,201	229,906

During the year, Langley Aviation Limited invoiced the Company €823,000 (2019 – €2,357,000) in respect of the use of aircraft.

During the year, the Company received interest on loans to other Group companies of €8,583,000 (2019 – €7,138,000) and dividends from other Group companies of €nil (2019 – €137,223,000).

Transactions with related parties are at market value and are unsecured. The company has recorded a €6,754,000 impairment of receivables relating to amounts owed by subsidiary undertakings during the year (2019 – €3,182,000) and reversed €6,000 (2019 – €nil) 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.

34 SHARE CAPITAL

	2020 €'000	2019 €'000
Authorised:		
60,100,010 ordinary shares of £1 each	71,227	71,227

Allotted, issued and fully paid:	2020 €'000	2019 €'000
60,100,010 ordinary shares of £1 each	71,227	71,227

35 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.

36 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.

37 RETAINED EARNINGS

Included within the retained earnings of the Group are foreign currency translation deficits of €27,697,000 (2019 – €9,510,000) included within the retained earnings reserve for the Company is €29,566,000 (2019 – €10,532,000) of foreign currency translation deficits.

The net currency exchange difference arising on retranslation in the year was a loss of €18,187,000 (2019 – a gain of €14,703,000) for the Group and a loss of €19,034,000 (2019 – a gain of €21,074,000) 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.

38 CASH GENERATED FROM OPERATIONS

GROUP	2020 €'000	2019 €'000
Profit before taxation	24,047	55,837
Depreciation	23,859	20,854
Profit on sale of property, plant and equipment	(810)	(399)
Amortisation of intangibles	850	2,741
Interest income	(1,041)	(2,564)
Revaluation / impairment of fixed assets	2,256	(18,803)
Interest expense	542	355
Decrease / (increase) in inventories	27,886	(14,311)
Decrease in trade and other receivables	25,282	7,041
Decrease in trade and other payables	(18,101)	(80,674)
Movement in retirement benefit obligations	(973)	(1,599)
Foreign exchange translation adjustments	(2,261)	(88)
Cash generated from operations	81,536	(31,610)

COMPANY	2020 €'000	2019 €'000
(Loss) / profit before taxation	(6,086)	134,064
Depreciation of property, plant and equipment	1,673	1,900
Revaluation of investment properties	–	(1,347)
Impairment of investments	7,395	7,086
Profit on sale of property, plant and equipment	(173)	(21)
Dividend income received	–	(137,223)
Interest income	(8,855)	(9,085)
Decrease in inventories	(3)	3
(Increase) / decrease in trade and other receivables	(7,201)	(112,754)
Increase in trade and other payables	377	654
Foreign exchange translation adjustments	1,531	6,894
Cash (used in) / generated from operations	(11,342)	(109,829)

39 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.

	2020 **€'000**
Expenses relating to short term leases	697
Expenses relating to low value assets	385
Cash outflow for leases	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 2020 is broken down as follows:

	Freehold Land & Buildings	Plant & Machinery	Vehicles	Computers	Total
Cost	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
At 1 January 2020	14,093	103	102	23	14,321
Additions	1,829	500	11	27	2,367
At 31 December 2020	15,992	603	113	50	16,688
Depreciation					
At 1 January 2020	3,099	–	57	23	3,179
Charge for the year	3,805	3	15	–	3,823
At 31 December 2020	6,904	3	72	23	7,002
Netbook Amount					
At 31 December 2020	9,018	600	41	27	9,686

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39 LEASES *(continued)*

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

	2020	2019
	€'000	**€'000**
Due within 1 year	2,483	3,563
Due within 2-5 years	4,442	6,754
Due after more than 5 years	1,307	–
	8,232	10,317

40 SUBSIDIARY UNDERTAKINGS

A list of wholly owned unlisted subsidiary companies at 31 December 2020 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

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40 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 2020:

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) Ltd *M Building - West District, MinYing Industry Park, 81 CheChengNan Road, Economic & Technology Developing Zone 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 2020:

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 2020:

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	

Notes to the Accounts (continued)

Year ended 31 December 2020

40 SUBSIDIARY UNDERTAKINGS *(continued)*

The following companies are wholly owned unlisted subsidiaries of Claudius Peters Group GmbH, at 31 December 2020:

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 º 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	

14 NON-CURRENT INVESTMENTS *(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 2020:

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 2020:

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	

Notes to the Accounts (continued)

Year ended 31 December 2020

40 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

40 SUBSIDIARY UNDERTAKINGS *(continued)*

The following companies are investments held by Sheetfed Holdings Limited and its subsidiaries, at 31 December 2020:

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

40 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

Notes to the Accounts (continued)

Year ended 31 December 2020

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40 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

Notes to the Accounts (continued)

Year ended 31 December 2020

40 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

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40 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

Notes to the Accounts (continued)

Year ended 31 December 2020

40 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%	

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)

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