

Company Registration No. 03751479 (England and Wales)

NEGRI BOSSI LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020



NEGRI BOSSI LIMITED

COMPANY INFORMATION

Director	T Sunohara	(Appointed 28 January 2020)
Secretary	Ms S Molloy	
Company number	03751479	
Registered office	Unit 7 Triton Park Brownsover Road Swift Valley Industrial Estate Rugby Warwickshire CV21 1SG	
Auditor	Burgis & Bullock 23-25 Waterloo Place Warwick Street Leamington Spa Warwickshire CV32 5LA	
Bankers	Barclays Bank plc 1 Churchill Place London E14 5HP	
Solicitors	Brindley Twist Tafft & James LLP Lowick Gate Siskin Drive Coventry CV3 4FJ	

NEGRI BOSSI LIMITED

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NEGRI BOSSI LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company is the sale of Negri Bossi plastic injection moulding machinery.

Business Review

In January 2020 the company changed hands with Japanese competitor and Industrial group taking the majority share in the business.

NB is now part of a bigger group and is thus around the 6th largest manufacturer of injection moulding machines in the World as opposed to 6th largest in Europe.

Covid, Covid and Covid

It has been a difficult year thanks to Covid. Furlough greatly helped. It has allowed us to maintain and service our customers whilst retaining our workforce for the future.

Supply chains were in chaos in the middle part of the year but it would seem now that everyone has learned to live with Covid. Supply chains are now stable but leadtimes are a bit longer. Some costs, like freight, are oscillating quite a lot but we expect them to settle down in due course.

A contracting market skewed the supply/demand again impacting both volumes and margins.

The true effects of the vaccine etc we do not expect to be reflected in 2021 numbers and therefore we expect to see a similar year to last with periods of lockdowns and restrictions interspersed with periods of activity resulting in a similar financial performance as 2020.

Brexit accord would seem to suggest that we will have stability in 2021.

NBUK has proven to be recession proof, Brexit proof and Covid proof. On that basis and without sounding too presumptuous we should be OK for 2021.

Results and dividends

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

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

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

C Ward	(Resigned 28 January 2020)
Ms S Molloy	(Resigned 28 January 2020)
T Sunohara	(Appointed 28 January 2020)

NEGRI BOSSI LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Auditor

The auditor, Burgis & Bullock, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

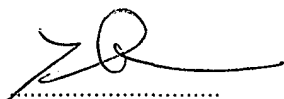
Energy and carbon report

As the company has not consumed more than 40,000 kWh of energy in this reporting period, it qualifies as a low energy user under these regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

Statement of disclosure to auditor

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

On behalf of the board



T Suñohara
Director

Date: 1/6/2021

NEGRI BOSSI LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

NEGRI BOSSI LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF NEGRI BOSSI LIMITED

Opinion

We have audited the financial statements of Negri Bossi Limited (the 'company') for the year ended 31 December 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements; including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

NEGRI BOSSI LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEGRI BOSSI LIMITED

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the director's report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the company is not entitled to claim exemption in preparing a strategic report due to it being a member of an ineligible group.

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

NEGRI BOSSI LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEGRI BOSSI LIMITED

Auditor's responsibilities for the audit of the financial statements

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

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

We gained an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates and assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

Based on our understanding of the company and industry we identified that the principal risk of non-compliance with laws and regulations related to breaches of Companies Act 2006, UK Tax Legislation and UK Employment Law.

We evaluated management incentive and opportunities for fraudulent manipulations of the financial statements and determined the principal risks are related to fraudulent transactions to meet group targets.

Audit procedures performed included:

- Identifying and assessing the design effectiveness of controls in management have in place to prevent and detect fraud.
- Challenging assumptions and judgments made by management in their significant accounting estimates and assessing if these indicate evidence of management bias;
- Reviewing the accounting records for large and unusual journal entries and testing any identified and in particular the rationale for any transactions outside the company's normal course of business
- Reviewing the accounting records for large and unusual bank payments and testing any identified and in particular the rationale for any transactions outside the company's normal course of business
- Testing a sample of debit entries in the profit and loss account to check they are bona-fide costs of the business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

NEGRI BOSSI LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF NEGRI BOSSI LIMITED

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

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

WA Hubbard

Wende Hubbard FCCA (Senior Statutory Auditor)
For and on behalf of Burgis & Bullock

1st June 2021

Chartered Accountants
Statutory Auditor

23-25 Waterloo Place
Warwick Street
Leamington Spa
Warwickshire
CV32 5LA

NEGRI BOSSI LIMITED

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2020

		2020	2019
	Notes	£	£
Turnover	3	5,329,270	5,927,123
Cost of sales		(3,711,080)	(3,955,056)
Gross profit		1,618,190	1,972,067
Distribution costs and administration expenses		(1,746,852)	(1,783,300)
Other operating income		313,279	231,556
Operating profit	4	184,617	420,323
Interest receivable and similar income	6	23,178	26,903
Profit before taxation		207,795	447,226
Tax on profit	7	(44,379)	(94,321)
Profit for the financial year		163,416	352,905

The income statement has been prepared on the basis that all operations are continuing operations.

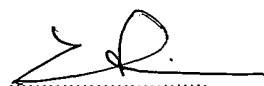
NEGRI BOSSI LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	8		116,374		145,960
Current assets					
Stocks	9	364,353		570,136	
Debtors	10	2,132,121		2,810,037	
Cash at bank and in hand		1,322,149		318,975	
		<u>3,818,623</u>		<u>3,699,148</u>	
Creditors: amounts falling due within one year	11	<u>(1,317,259)</u>		<u>(1,374,211)</u>	
Net current assets			<u>2,501,364</u>		<u>2,324,937</u>
Total assets less current liabilities			<u>2,617,738</u>		<u>2,470,897</u>
Provisions for liabilities					
Provisions	12	188,196		204,771	
		<u>(188,196)</u>		<u>(204,771)</u>	
Net assets			<u><u>2,429,542</u></u>		<u><u>2,266,126</u></u>
Capital and reserves					
Called up share capital	14		172,388		172,388
Share premium account	15		910,840		910,840
Profit and loss reserves	16		1,346,314		1,182,898
			<u>2,429,542</u>		<u>2,266,126</u>
Total equity			<u><u>2,429,542</u></u>		<u><u>2,266,126</u></u>

The financial statements were approved by the board of directors and authorised for issue on 1/6/2021 and are signed on its behalf by:



T Sunohara
Director

Company Registration No. 03751479

NEGRI BOSSI LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital £	Share premium account £	Profit and loss reserves £	Total £
Balance at 1 January 2019	172,388	910,840	829,993	1,913,221
Year ended 31 December 2019:				
Profit and total comprehensive income for the year	-	-	352,905	352,905
Balance at 31 December 2019	172,388	910,840	1,182,898	2,266,126
Year ended 31 December 2020:				
Profit and total comprehensive income for the year	-	-	163,416	163,416
Balance at 31 December 2020	172,388	910,840	1,346,314	2,429,542

NEGRI BOSSI LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020		2019	
		£	£	£	£
Cash flows from operating activities					
Cash generated from operations	20		1,088,243		184,605
Income taxes paid			(94,321)		(100,874)
Net cash inflow from operating activities			993,922		83,731
Investing activities					
Purchase of tangible fixed assets		(13,926)		(2,887)	
Proceeds on disposal of tangible fixed assets		-		2,387	
Interest received		23,178		26,903	
Net cash generated from investing activities			9,252		26,403
Net increase in cash and cash equivalents			1,003,174		110,134
Cash and cash equivalents at beginning of year			318,975		208,841
Cash and cash equivalents at end of year			1,322,149		318,975

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Negri Bossi Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 7 Triton Park, Brownsover Road, Swift Valley Industrial Estate, Rugby, Warwickshire, CV21 1SG.

1.1 Accounting convention

The financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard FRS102, and under the historical cost convention rules.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

As the company is a wholly-owned subsidiary of Negri Bossi S.p.A, who is ultimately a 75% owned subsidiary of Nissei Plastic Industrial Co., Ltd, the company has taken advantage of relevant exemptions and has not disclosed the transactions or balances with entities which form part of the Negri Bossi S.p.A. group.

The consolidated financial statements of Negri Bossi S.p.A, within which Negri Bossi Limited is included, can be obtained from Negri Bossi S.p.A, Viale Europa 64, 20093 Cologno Monzese (MI).

The consolidated financial statements of Nissei Plastic Industrial Co., Ltd, within which Negri Bossi S.p.A. is included, can be obtained from Nissei Plastic Industrial Co., Ltd, 2110 Minamijo, Sakaki-Machi, Hanishina-Gun, Nagano-Ken, 389-0693 Japan.

The company is currently facing the uncertainty of the ongoing impact of the Covid-19 virus on the business. The company has the support of the parent company and the director has concluded that at the time of approving the financial statements there is a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future.

Thus the director continues to adopt the going concern basis of accounting in preparing the financial statements.

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.2 Turnover

Revenues from the sale of goods are recognised when all the following conditions have been satisfied:

- the Company has transferred to the buyer the significant risks and rewards of ownership of the goods;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable the economic benefits associated with the transaction will flow to the Company.

Revenues and expenses that relate to the same transaction or other event are recognised simultaneously; this process is commonly referred to as the matching of revenues and expenses.

Revenue relating to the sale of services is recognised at the moment of completion.

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

Revenue from contracts for the provision of professional services is recognised by reference to the stage of completion when the stage of completion, costs incurred and costs to complete can be estimated reliably. The stage of completion is calculated by comparing costs incurred, mainly in relation to contractual hourly staff rates and materials, as a proportion of total costs. Where the outcome cannot be estimated reliably, revenue is recognised only to the extent of the expenses recognised that it is probable will be recovered.

1.3 Tangible fixed assets

Tangible fixed assets are initially and subsequently measured at cost, net of depreciation and any impairment losses. Cost includes accessory expenses, as well as the portion of direct and indirect costs, which can be reasonably attributed to the assets.

Tangible fixed assets are systematically depreciated on a straight-line basis using economic-technical rates determined according to the remaining useful life of the assets.

Short leasehold land and buildings	over the life of the lease
Plant and machinery	3 to 5 years
Fixtures & fittings, software & equipment	3 to 5 years
Motor vehicles	2 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.4 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.5 Stocks

Inventories are stated at the lower of cost, determined according to the cost configuration described as follows, and the corresponding market value. Obsolete and slow-moving inventories are written down on the basis of their possible utilisation or sale ability, through the accounting of a reserve for obsolete stocks.

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Cost

Purchase cost comprises the purchase price, custom duties and other taxes (other than those subsequently recoverable by the company from the tax authorities – i.e. VAT), and transport, handling and other costs directly attributable to the acquisition of raw materials, finished goods, other materials and services. Trade discounts, rebates and other similar items are deducted in determining the purchase cost.

The method used by the company to determine the costs is first-in first-out (FIFO) method.

Market value

Market value is the estimated selling price in the ordinary course of business, less discounts, premiums and bonuses to customers and applicable variable selling expenses (transportation, commissions to agents).

Obsolete and slow-moving inventories

Obsolete and slow-moving inventories are written down on the basis of their possible utilisation and realisation. Where there is evidence that the expected realisable value in the ordinary course of business will be lower than cost, whether due to:

- Physical deterioration,
- Slow moving trends,
- Clear obsolescence,
- Changes in price levels and market conditions,
- Expired products, or
- Any other cause

The carrying value of obsolete and slow moving inventories has written down through a specific reserve for obsolete inventory, for each category of inventory on hand.

1.6 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.7 Financial instruments

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

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

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

Basic financial assets

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

Other financial assets

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

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Other financial liabilities

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

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

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

Derecognition of financial liabilities

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

1.8 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

1.9 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

Deferred tax

Current tax is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred taxation is recognised in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted except as otherwise required by FRS 19.

1.10 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

1.11 Employee benefits

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

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

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

1.12 Retirement benefits

The company operates a defined contribution scheme for the benefit of its employees. Contributions payable are charged to the profit and loss account in the year they are payable.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.14 Government grants

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

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Government grants receivable in the year relate to the Coronavirus Job Retention Scheme (CRJS), a government scheme set up to cover certain employment costs for employees who have been unable to work due to COVID-19.

1.15 Foreign exchange

A foreign currency transaction is initially recorded by applying the foreign currency amount exchange rate at the date in which the transaction occurs. The exchange rate at the date of the transaction is often referred to as the spot rate.

At the end of the accounting period:

- foreign currency monetary items are reported using the closing exchange rate;
- non-monetary items which are carried in terms of historical cost denominated in foreign currency are reported using the exchange rate at the date of transaction.

Exchange differences arising from the settlement of monetary items or from the translation of balances denominated in foreign currencies at the end of the accounting period, are recognised as income or expenses.

1.16 Finance Interest

Where goods are sold on extended credit terms the sales price includes an interest element. Such interest is deferred and released to the profit and loss account in instalments over the credit term.

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Revenue recognition

The director has made key judgements regarding the revenue recognised from the sale of machines and robots ready for despatch at the year end. The amount receivable from customers on such sales at the end of the reporting period was £nil (2019: £nil).

Fixed assets

In preparing the year end financial statements, the director has made key assumptions regarding the remaining useful economic life of the company's significant assets. The most significant fixed asset of the company being short leasehold land and buildings with a net book value at the reporting date of £101,210 (2019: £127,906).

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows:

Inventory obsolescence

In relation to potentially obsolete stock, the director has made key assumptions regarding the provision to be included within the financial statements. The provision for potentially slow moving and obsolete stock at the year end equates to £285,637 (2019: £257,335). 'Stocks' included on the balance sheet of £364,353 (2019: £570,136) is net of this provision.

Warranty provision

A provision is recognised for expected warranty claims on products sold. It is expected that most of these costs will be incurred in the next financial year and all will have been incurred within five years of the balance sheet date. The director has made key assumptions regarding future anticipated costs, in light of costs incurred historically, knowledge of the business and work not yet completed at the reporting date. Additional information can be found in note 13.

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020	2019
	£	£
Turnover analysed by class of business		
Machine and robot sales	3,333,164	3,546,863
Service	736,794	814,597
Spares	1,185,854	1,487,570
Other	73,458	78,093
	5,329,270	5,927,123
	5,329,270	5,927,123

	2020	2019
	£	£
Other significant revenue		
Interest income	23,178	26,903
Grants received	85,219	-
	108,397	26,903
	108,397	26,903

	2020	2019
	£	£
Turnover analysed by geographical market		
Italy	2,817	41,988
United Kingdom	5,285,453	5,838,216
Rest of World	41,000	46,919
	5,329,270	5,927,123
	5,329,270	5,927,123

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	11,570	11,620
Government grants	(85,219)	-
Fees payable to the company's auditor for the audit of the company's financial statements	13,000	13,000
Depreciation of owned tangible fixed assets	43,512	39,803
Operating lease charges	79,160	74,787
	162,023	139,210
	162,023	139,210

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Employees

The average monthly number of persons (including directors) employed by the company during the year was: 18 (2019: 18)

	2020 Number	2019 Number
Sales and Marketing	5	4
Administration and finance	2	2
Parts & servicing	11	12
Total	<u>18</u>	<u>18</u>

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	954,225	977,091
Social security costs	118,778	127,068
Pension costs	112,061	118,651
	<u>1,185,064</u>	<u>1,222,810</u>

6 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Other interest income	23,178	26,903
	<u>23,178</u>	<u>26,903</u>

7 Taxation

	2020 £	2019 £
Current tax		
UK corporation tax on profits for the current period	44,379	94,321
	<u>44,379</u>	<u>94,321</u>

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Taxation

(Continued)

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

	2020	2019
	£	£
Profit before taxation	207,795	447,226
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	39,481	84,973
Tax effect of expenses that are not deductible in determining taxable profit	4,543	4,580
Other	-	501
Unprovided deferred tax	355	4,267
	<u> </u>	<u> </u>
Taxation charge for the year	44,379	94,321
	<u> </u>	<u> </u>

8 Tangible fixed assets

	Short leasehold land and buildings	Plant and machinery	Fixtures & fittings, software & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2020	238,602	17,707	76,681	13,365	346,355
Additions	-	-	13,926	-	13,926
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	238,602	17,707	90,607	13,365	360,281
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Depreciation and impairment					
At 1 January 2020	110,696	14,818	62,967	11,914	200,395
Depreciation charged in the year	26,696	1,536	13,829	1,451	43,512
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2020	137,392	16,354	76,796	13,365	243,907
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Carrying amount					
At 31 December 2020	101,210	1,353	13,811	-	116,374
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2019	127,906	2,889	13,714	1,451	145,960
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Stocks

	2020	2019
	£	£
Finished goods and goods for resale	364,353	570,136
	<u>364,353</u>	<u>570,136</u>

A debit representing a charge of impairment losses of £28,301 (2019: a credit representing a reversal of impairment losses of £48,339) has been recognised within the year's profit and loss account.

10 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Trade debtors	2,074,397	1,607,465
Amounts owed by group undertakings	2,051	8,260
Prepayments and accrued income	55,673	45,594
	<u>2,132,121</u>	<u>1,661,319</u>

	2020	2019
	£	£
Amounts falling due after more than one year:		
Trade debtors	-	1,148,718
	<u>-</u>	<u>1,148,718</u>
Total debtors	<u>2,132,121</u>	<u>2,810,037</u>

11 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	122,236	62,306
Amount due to parent undertaking	-	652,552
Amounts due to fellow group undertakings	3,739	592
Corporation tax payable	44,379	94,321
Other taxation and social security	462,619	371,893
Accruals and deferred income	684,286	192,547
	<u>1,317,259</u>	<u>1,374,211</u>

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Provisions for liabilities

	2020	2019
	£	£
Warranty	188,196	204,771
	<u> </u>	<u> </u>
Movements on provisions:		Warranty
		£
At 1 January 2020		186,297
Additional provisions in the year		143,377
Reversal of provision		(120,500)
Utilisation of provision		(20,978)
		<u> </u>
At 31 December 2020		188,196
		<u> </u>

Provisions are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

Within one year	110,647
After one year	77,549
	<u> </u>
At 31 December 2020	188,196
	<u> </u>

13 Retirement benefit schemes

	2020	2019
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	112,061	118,651
	<u> </u>	<u> </u>

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

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

14	Share capital	2020	2019
		£	£
	Ordinary share capital		
	Issued and fully paid		
	172,388 Ordinary shares of £1 each	172,388	172,388
		<u> </u>	<u> </u>
15	Share premium account	2020	2019
		£	£
	At the beginning and end of the year	910,840	910,840
		<u> </u>	<u> </u>
16	Profit and loss reserves	2020	2019
		£	£
	At the beginning of the year	1,182,898	829,993
	Profit for the year	163,416	352,905
		<u> </u>	<u> </u>
	At the end of the year	1,346,314	1,182,898
		<u> </u>	<u> </u>
17	Operating lease commitments		
	Lessee		
	Operating commitments for land & buildings, motor vehicles and other leases.		
	At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:		
		2020	2019
		£	£
	Within one year	66,914	89,841
	Between two and five years	145,456	194,312
		<u> </u>	<u> </u>
		212,370	284,153
		<u> </u>	<u> </u>

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are not directors, is as follows.

	2020	2019
	£	£
Aggregate compensation	491,472	141,327

Two members of key management were also directors of the company until resignation from this office on 28th January 2020, they remain key management of the company.

Included in the above key management remuneration is £228,060 (2019: £Nil) which has been recharged to the parent company. The recharge is shown in other operating income.

Other information

The company has taken advantage of the available exemptions whereby it has not disclosed transactions with the immediate parent company or any wholly owned subsidiary undertakings of the group.

19 Ultimate controlling party

The company's immediate parent company is Negri Bossi SpA, which is incorporated in Italy.

The company's ultimate holding company is Nissei Plastic Industrial Co., Ltd which is incorporated in Japan.

The smallest group in which the results of the company are consolidated is that headed by Negri Bossi SpA and the largest group in which the results of the company are consolidated is in Nissei Plastic Industrial Co., Ltd. The consolidated financial statements are publicly available from the following addresses:

Negri Bossi SpA, Viale Europa, 64 - C.P. 101, 20093 Cologno Monzese (MI) Italy.

Nissei Plastic Industrial Co., Ltd, 2110 Minamijo, Sakaki-Machi, Hanishina-Gun, Nagano-Ken, 389-0693 Japan.

NEGRI BOSSI LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Cash generated from operations

	2020	2019
	£	£
Profit for the year after tax	163,416	352,905
Adjustments for:		
Taxation charged	44,379	94,321
Investment income	(23,178)	(26,903)
Depreciation and impairment of tangible fixed assets	43,512	39,803
Decrease in provisions	(16,575)	(92,032)
Movements in working capital:		
Decrease in stocks	205,783	71,616
Decrease in debtors	677,916	633,481
Decrease in creditors	(7,010)	(888,586)
Cash generated from operations	<u>1,088,243</u>	<u>184,605</u>

21 Analysis of changes in net funds

	1 January 2020	Cash flows	31 December 2020
	£	£	£
Cash at bank and in hand	318,975	1,003,174	1,322,149
	<u>318,975</u>	<u>1,003,174</u>	<u>1,322,149</u>