

Company No: 01321615

Langley Holdings plc
IFRS Annual report and accounts 2023

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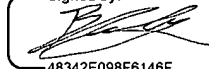
Langley Holdings plc
Company information
For the year ended 31 December 2023

Amendment to the financial statements

The directors wish to amend the accounts as a subsidiary, Bergen Engines Limited, took the exemption from audit under s479a of Companies Act 2006 but was omitted from the list on page 70. The financial statements filed with Companies House on 14 March 2024 were not the final financial statements of Langley Holdings plc.

These financial statements replace the original filed accounts, are now the statutory accounts, and are prepared as they were at the date of the original accounts.

On behalf of the board

Signed by:

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Bernard J Langley
Director
Langley Holdings PLC
Registered in England and Wales
Company number 01321615

Date: 10/10/2024

Langley Holdings plc
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Langley Holdings plc
Company information
For the year ended 31 December 2023



Directors: A J Langley – Chairman
B J Langley
W A Langley
M J Neale

Company secretary: P Sexton

Registered office: Enterprise Way
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United Kingdom

Registered in England number: 01321615

Auditor: Saffery LLP
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Principal bankers: Barclays Bank plc
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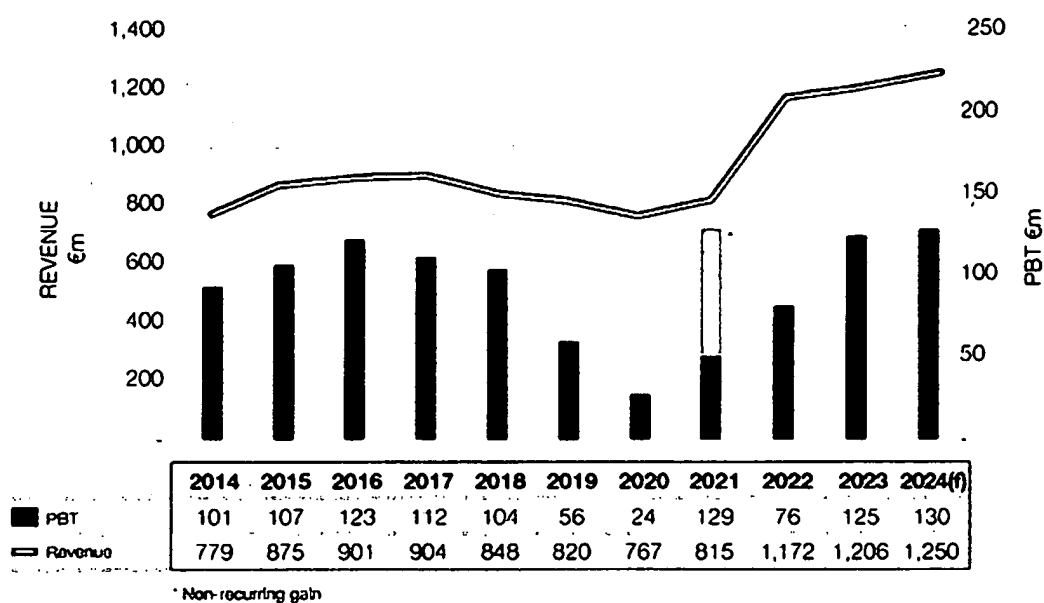
Langley Holdings plc
Key highlights
For the year ended 31 December 2023



	Year ended 31 December 2023	Year ended 31 December 2022
	€'000	€'000
Revenue	1,206,197	1,172,485
Profit before tax	124,875	75,727
Net assets	965,997	844,238
Cash and cash equivalents	290,329	240,901
Orders on hand	877,400	900,051

	No	No
Employees	5,184	5,330

10 Year Trading Summary



Langley Holdings plc

Chairman's review

For the year ended 31 December 2023



2023 saw an altogether better trading performance by the Group when compared with 2022.

In normal trading terms, ignoring non-recurring gains, 2023 was a record profit year for the Group, despite a negative contribution from Manroland Sheeffed, our German printing press builder.

Overall, a very satisfactory year and a solid outlook for 2024.

In 2023 the Group recorded a profit before tax (PBT) of €124.9 million, up from €75.7 million the year before. At €1.21 billion, revenues were slightly increased from €1.17 billion in 2022 and orders on hand were also fairly flat at €877.4 million, (2022: €900.0 million). Net assets were €966.0 million, up from €844.2 million and at year end the Group held €290.3 million of cash, up from €240.9 million with nil net debt, as the year before. Also as previously, there were no shareholder dividends.

Power Solutions Division

The Power Solutions Division accounted for around half of 2023 revenues and two thirds of Group profits. The Division comprises: Bergen Engines, the Norwegian medium-speed engines builder, acquired from Rolls-Royce in December 2021; Marelli Motori, the Italian electric motors and generators producer, part of the Group since May 2019; and Piller Group, Europe's leading producer of critical power conditioning, stabilisation and backup systems, based in Germany and celebrating 20 years of Langley stewardship this year.

Bergen Engines AS closed its second year under our stewardship with a very good trading performance. The measures implemented in 2022 have now largely taken full effect and the Norwegian headquartered business improved significantly in 2023, having posted its first, albeit modest, profit in 2022 for some years. Hitherto loss-making subsidiaries in India and the Netherlands contributed positively, whilst Bergen entities in Bangladesh, Spain, Italy, Denmark, the UK, the USA and Mexico all met or exceeded their targets.

In November, Bergen Engines signed an intention to purchase agreement (IPA) with a Chinese EPC contractor to supply 1,000MW of power to Nigeria's grid. The project was announced at China International Import Expo (CIIE) in Shanghai and made Chinese national TV news.

80 of Bergen's natural gas engines, fitted with Marelli Motori generators, are to be deployed in 5 x 200MW tranches in a deal that will generate around \$500 million of capital equipment revenues for Bergen in the coming years and ultimately a similar amount in aftermarket revenues once the project comes fully on stream.

During the year approval was given for the Mexican subsidiary, which serves as a sales and service hub for the Central Americas region, to acquire a freehold office and workshop building in Querétaro.

In November, a contract was secured to supply 45MW of power to Guatemala, marking a milestone in that country's energy transition. It will be Guatemala's first mid-scale power plant to operate on natural gas.

First deliveries were made during the year for a nuclear power project in Turkey. Nuclear is expected to play an increasing role in the global energy transition and Bergen engines' extraordinary reliability positions the Company well for these highly critical applications.

In the marine sector, Bergen saw a clutch of marine projects develop and in June the factory trawler MS ECOFIVE, powered by Bergen engines, was awarded Norway's Ship of the Year for its groundbreaking green technology.

Piller Group GmbH reported all-time record high revenues in 2023, and this resulted in a record profit for the year. Order book also set a new record, the third in successive years. Piller subsidiaries in France, Italy, Spain and the UK all met or exceeded targets, as did Germany, demand for Piller systems in Europe remaining strong.

In the Asia Pacific region, Piller Australia fell short of its target due to slippage of a data centre project in Sydney, but it was a good performance nonetheless and the delayed project finally came to fruition in December. Piller Singapore meanwhile had another good year although reported a slowdown in project opportunities in the semiconductor sector.

In the USA, Piller Inc. performed ahead of its profit target although was down on revenues. The so-called CHIPS Act, signed into statute in August 2022, resulted in increased sales activity for Piller Inc as the USA moves to reshore semiconductor production in this \$280 billion Federal initiative.

Piller technology is well established in the semiconductor sector and Piller Singapore has enjoyed several years of strong demand from the Asia Pacific region. That is set to change and what is expected to be Piller Asia Pacific's loss will become Piller Inc.'s gain.

Langley Holdings plc

Chairman's review

For the year ended 31 December 2023



Mission critical systems for industrial manufacturing applications such as semiconductor production have become an increasing share of Piller revenues in recent years. Whereas data centres continue to be an important business area, technology in hyperscale, the most rapidly growing segment, has moved away from Piller's tailored solutions to a more commoditised "cookie cutter" approach.

During the year discussions were held with a major Chinese manufacturer of these volume produced hardware with a view to re-entering the segment. Piller's profound expertise in the field, seamlessly paired with cost-effective hardware, is poised to present a compelling proposition for this rapidly evolving sector.

In the meantime, demand for Piller solutions for non-cloud data centres, such as governmental and other high security sectors, remained strong, as did Piller's naval military business.

Despite a record year for Piller, capacity constraints meant that not all projects originally planned could be fulfilled within the year. CapEx approval was given to increase capacity at the factory and outsourcing of certain components and subassemblies to sister Company Marelli Motori initiated. I expect this will alleviate capacity constraints in Germany going forward, although continued supply chain was also cited for delays.

Active Power Inc., the Austin TX producer of flywheel UPS equipment, a stand-alone business within the Piller Group, last year accounted for around 10% of Piller revenues and profits. Over two thirds of that came from Active Power's US market from diverse applications across mainly healthcare, industrial manufacturing and data centres. Export sales are managed via Piller subsidiaries, around half of those coming from Germany. It was another successful year for Active Power, the business we acquired in 2016.

Marelli Motori Srl, made a positive, albeit modest, contribution to the Division. Marelli's subsidiary in South Africa performed well, whereas Marelli Germany exceeded its budget and Marelli USA broke even. The Malaysian outpost reported a negative result, largely due to exchange rate effects. Overall, the subsidiaries contributed positively, as did the Italian headquartered business despite under-recovery in the factory.

Marelli operates the second largest (to Manroland) manufacturing facility in the Group and in September opened its doors to host Confindustria Vicenza 2023. More than 1,200 delegates attended the Company's northern Italian factory to hear leading public figures and industry leaders discuss current political, social and economic issues. My eldest son Bernard opened the conference saying that Marelli Motori became "part of our family of businesses in 2019... a small part of the Company's history but a large part of its future."

Demand for high integrity alternators for the marine and hydro sectors was more or less in line with expectations although several projects were delayed and demand for smaller motors and generators weak. Alternator demand from CAT for standard gensets was also down in the period. However, the Piller outsourcing initiative mentioned previously is expected to improve utilisation, as will increased production of large size alternators for Bergen Engines. A better performance is expected in 2024.

Print Technologies Division

The Print Technologies Division comprises: Manroland Sheetfed, our German printing machinery manufacturer; Druck Chemie and BluePrint, the German and Belgian print chemicals producers.

Manroland Sheetfed GmbH suffered from a shortfall in orders during the period, principally from its Chinese market which historically represents around 40% of business for new presses. The situation improved towards the end of the year but with many Western customers of Chinese printer's reshoring, the situation is far from clear. Logically this should ultimately benefit Manroland's Western customers, however there is significant underutilisation in much of the sector and investment remains subdued.

Productivity at the factory was also below par and despite a positive contribution from the market organisation, Manroland's near forty sales and service subsidiaries, the combined operating result was negative.

The restructuring I mentioned in my Chairman's Review last year was finally completed in November. 181 of the near 900 headquarters positions, mostly back-office, have now been eliminated, the majority of those voluntarily.

Year-on-year Manroland's cost base has been reduced by some €10 million and I expect a positive contribution from the business in 2024.

In the meantime, apprentice intake is being maintained and those completing their training offered permanent positions. Producing a modern offset litho printing press is a highly skilled affair and our perspective is long term.

Langley Holdings plc
Chairman's review
For the year ended 31 December 2023



Druck Chemie GmbH, the German print chemicals producer, together with its sales subsidiaries in France, Italy, Switzerland, Spain, Belgium, Poland, the Czech Republic and Brazil and; BluePrint Products BV, based in Belgium, brought quite some cheer to the otherwise beleaguered Division, both reporting strong trading results. PCO, the small bolt-on to BluePrint acquired last January was integrated well, adding nicely to the record result.

Druck Chemie celebrates ten years of Langley ownership this year. The print chemicals Group is well optimised since acquiring BluePrint in 2020; Druck Chemie now focused on end-user sales and BluePrint on distributors. It is a winning formula and together they are Europe's leading print chemicals producer.

Overall, the Division made a positive contribution to the Group result and income from Manroland to other Group entities, together with income from BPOL, the German Police Authority, who occupy the former Manroland headquarters building on a long-term lease, more or less compensated Manroland's negative contribution in 2023. Despite the disappointing operating result in Manroland, the investment we made in 2012 has been proven worthwhile.

Other Industrials Division

The Other Industrials Division comprises: Clarke Chapman, our specialist cranes and handling business, principally to the UK nuclear and railways sectors and acquired in 2000; Claudius Peters, our German materials handling and process machinery specialist, principally to the cement & gypsum industries and aircraft stringers, acquired in 2001; ARO Welding Technologies, our French automotive welding equipment producer, stringers manufacturer, acquired in 2008; Bradman-Lake, the UK based packaging machinery builder, principally to the food industry, acquired in 2007, and; Reader Cement Products, the UK cement blending and packing Company, originally established by Langley in 1985.

Claudius Peters Group GmbH had a much-improved year compared with 2022. Loss making contracts at the German headquarters, a legacy of Covid related margin attrition, were largely worked through and subsidiaries in France, the UK, Spain, Italy, the USA and Brazil all contributed ahead of their targets, Claudius Americas considerably so. Claudius Peters China managed a modest profit despite a depressed Chinese cement market, concentrating instead on overseas projects with Chinese EPCs.

Claudius Peters' aircraft stringer business picked up significantly in 2023 as the post Covid surge in orders at Airbus percolated down.

Overall, a satisfactory result for Claudius Peters and a positive outlook for 2024.

Clarke Chapman Group Ltd had a very similar and good performance to 2022. The Company is engaged on long term maintenance contracts for Network Rail, which were extended to 2025 during the period, and on projects for the UK nuclear and defence sectors.

ARO Welding Technologies SAS, headquartered in France, had a satisfactory 2023, but this was significantly down on the stellar years prior to Covid. Projects were largely for electric vehicle (EV) lines. However, EV sales have slowed significantly worldwide, and management is reporting visibility on new projects as particularly opaque. As a result, this year's ARO budget is cautious and rightly so.

ARO France and ARO USA, where the Company principally produces, both exceeded targets in 2023 and outposts in Mexico, Brazil, the UK, Belgium, Slovakia and Germany were more or less in line or exceeded budgets, only ARO China fell short. A satisfactory performance overall by the ARO Group.

Bradman-Lake Group Ltd had a remarkably good year. The original budgeted profit was met by June, largely due to unexpected projects materialising and particularly strong aftermarket sales. Bradman Lake continued to outperform its target in the second half, an excellent year for the business.

Reader Cement Products Ltd continued to strengthen its position in the UK construction and home improvement sector and turned in another very good trading performance.

In November the Company showcased its recycled waterproof packaging in a very unique way at London Build Expo 2023. During the period CapEx was approved to extend storage space at the Pinxton factory and to install a third production line that will increase capacity from the current 6 million bags to over 10 million bags per annum when the new line comes on stream later this year. Another solid performance by Reader, the UK's leading independent producer of blended cement products.

Overall, a satisfactory contribution from our Other Industrials Division and a positive outlook for 2024.

1 MAR 2024

Langley Holdings plc
Chairman's review
For the year ended 31 December 2023



Sustainability & the Energy Transition

Day-to-day our businesses are conscious of the impact they have on the environment and strive to reduce that impact. Already over 90% of our more than 1 million square metres (11 million square feet) manufacturing footprint has LED lighting and progressively solar power is supplementing energy consumption at our factories. In Norway, where nearly all electricity is generated sustainably, foundry work hitherto outsourced elsewhere in Europe has been brought back in house.

However, our Power Solutions Division is where we can really make a much more significant contribution. Producing marine and land-based power infrastructure is central to the Group's environmental sustainability ambitions. The projects these companies deliver are integral to the energy transition and central to that is our Bergen Engines business.

Norway is a leading light in the move to green energy and in October 2021, during the transition period from Rolls-Royce, I gave the go-ahead for the AMAZE (Ammonia Zero Emissions) research project, a joint initiative with the Norwegian University of Science & Technology and the research institute, SINTEF, to develop ammonia as a future fuel for shipping.

Ammonia is produced from hydrogen gas and in my view hydrogen, produced with renewable energy, is the fuel of the future. A hydrogen combustion engine emits zero greenhouse gases. Bergen engineers have been experimenting blending increased percentages of hydrogen with natural gas and in October we visited Lord Bamford at J C Bamford, the British construction machinery manufacturer, who have already developed a 100% hydrogen engine.

I subsequently challenged our Bergen Engines business to produce 100% hydrogen engine by the end of 2024 and the challenge was accepted.

In September we had visited Hydrogen Expo Europe in Bremen to see for ourselves the state-of-the-art in hydrogen technology.

Today hydrogen is produced in relatively small quantities and is many times the cost of fossil fuels to produce, but that is changing.

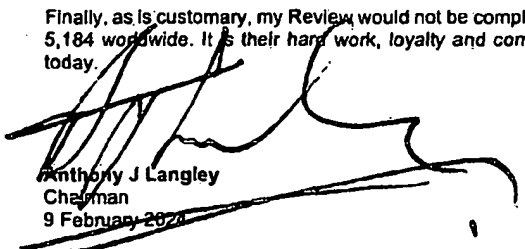
The US Government Department of Energy has committed to reduce the cost of producing hydrogen to \$2/kg by 2026 and \$1/kg by 2031, thereby rivalling fossil fuels.

When that happens, the transition will come quickly. Our goal is to be ahead of that curve.

Conclusion and Outlook

2023 began with an order book of €900 million and ended with just short of that, a healthy enough backlog coming into 2024, despite concerns in some areas. Budgets for the year indicate a similar level of profitability to 2023 overall and I believe that all things considered, this is prudent.

Finally, as is customary, my Review would not be complete without mention of our employees, at the year-end numbering 5,184 worldwide. It is their hard work, loyalty and commitment that makes the Group the sustained success that it is today.


Anthony J Langley
Chairman
9 February 2024

Langley Holdings plc

Directors' report

For the year ended 31 December 2023



The directors present their report together with the audited accounts of the Group for the year ended 31 December 2023.

Principal activity

The principal activity of the Company continued to be that of a holding 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 38 to the accounts.

Results and dividends

The results of the Group for the year are set out on page 16. The profit attributable to the shareholder for the financial year was €129,700,000 (2022 – €46,895,000).

Dividends of €nil were paid to the ordinary shareholder during the year (2022 – €nil). No final dividend was proposed at the year end.

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

Policy on the payment of creditors

The Group seeks to maintain good relations with all of its trading partners. In particular, it is the Group's policy to abide by the terms of payment agreed with each of its suppliers. The average number of days' purchases included within trade creditors for the Group at the year end was 35 days (2022 – 46 days).

Information contained in the Strategic Report

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

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

Directors' interests

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

	At 31 Dec 2023 Ordinary shares of £1 each	At 31 Dec 2022 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.

Langley Holdings plc
Directors' report
For the year ended 31 December 2023



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.

Langley Holdings Plc is committed to reducing its environmental impact and promoting energy efficiency. We have invested in installing LED lighting throughout our facility, which has reduced our energy consumption. We will continue to explore and invest in new technologies and practices that will help us reduce our energy usage and decrease our carbon footprint.

Energy usage has been calculated based on gas and electricity meter readings. Fuel used in respect of both business mileage and vehicles owned by the Group have been taken from mileage readings.

Energy consumption derives from the following fuel types:

	Consumption (KwH)	Consumption %	Equivalent greenhouse emission (tonnes)	Greenhouse gas emissions (%)
31 December 2023				
Transportation (derv/petrol)	56,213	37.54%	12,518	40.76%
Natural gas	48,106	32.12%	8,782	28.60%
Electricity	45,439	30.34%	9,409	30.64%
Total	149,758	100.00%	30,709	100.00%
31 December 2022				
Transportation (derv/petrol)	63,010	38.92%	15,099	43.48%
Natural gas	46,920	28.98%	8,594	24.75%
Electricity	51,977	32.10%	11,036	31.77%
Total	161,907	100.00%	34,729	100.00%

Intensity ratio:

	2023	2022
Total energy consumption (KwH)	149,758	161,907
Associated GHG emissions (tCO2e)	30,709	34,729
Turnover excluding dividends from subsidiaries (€'000)	13,827	10,155
Intensity ratio (tCO2e per €'000)	2.22	3.42

Langley Holdings plc
Directors' report
For the year ended 31 December 2023



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 CO₂ 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 LLP, indicated their willingness to continue in office.

Statement of Directors' responsibilities

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

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

In preparing these accounts, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable IASs as adopted by the United Kingdom have been followed subject to any material departures disclosed and explained in the accounts; and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

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

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

By order of the Board

Bernard J Langley
Director
Langley Holdings PLC
Registered in England and Wales
Company number 01321615

Date: 9 February 2024

Langley Holdings plc
Strategic report
For the year ended 31 December 2023



The directors present their Strategic Report for the year ended 31 December 2023 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 3 to 6 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 3 to 6. The financial position of the Group, its cash flows and liquidity position are also described in the Chairman's Review. In addition, note 30 to the accounts includes the Group's policies and processes for managing its capital, financial risk management objectives, financial instruments, and exposures to credit risk and interest rate risk.

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

d) Financial Risk Management

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

e) Section 172 Disclosures

Overview of how the Board performed its duties:

Shareholder

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

Employees

The Company and Group 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 Group'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.

Langley Holdings plc
Strategic report
For the year ended 31 December 2023



Community and environment

The Board recognises the importance of leading a Company and Group 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 Group, the Board recognise that environmental and climate risks could impact the Group directly, and are committed to reducing the environmental impact of our operations and products, and minimising the 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.

f) Key performance indicators (KPIs)

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

Targets

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

	2023 €'000	2022 €'000
Orders on hand	877,400	900,051
Cash held	290,329	240,901

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 2. Analysis using the above KPIs 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.

Langley Holdings plc
Strategic report
For the year ended 31 December 2023



i) Non-Financial and Sustainability Information Statement

The Board recognises the significance of environmental sustainability and the potential implications of climate change and sudden, large-scale environmental events. After performing a preliminary assessment the Board has concluded that the direct and indirect risks associated with climate change are not anticipated to have a substantial impact on our business in the near future. Among others, the initial analysis considered the following key points:

Industry Analysis

We are aware that the Industries in which our Group companies operate are influenced by changing regulatory frameworks, changing consumer preferences, and a growing awareness of environmental sustainability. The initial analysis of industry trends and benchmarks indicates that these sectors do not presently face immediate, significant climate-related risks.

Geographical Exposure

The production facilities within Langley Holdings Group operate primarily out of Europe and the United States. Our analysis of geographical exposure indicates that the regions in which our production facilities are located do not currently face significant climate challenges that would substantially affect our operations.

Facilities Risk

Our dedication to proactive risk reduction plays a role in maintaining our facilities, where we carefully consider potential natural events. To protect against potential negative financial consequences of climate-related challenges, the Group invests in comprehensive property and business interruption insurance policies, serving as key financial safeguards in the event of unforeseen natural disasters.

Operational Resilience

Our operations are designed to withstand a variety of external factors, among them potential climate-related risks. Our capability to adapt to changing environmental conditions is based on robust infrastructure, efficient supply chain management, and business continuity planning. Whilst our current assessment is that climate-related risks are not material in the short to medium term, we recognize the dynamic nature of the business environment. As a part of our commitment to sustainability and effective risk management, the Board remains open to periodic re-evaluation and adjustments to our risk framework, including climate considerations when necessary.

By order of the Board

Bernard J Langley
Director
Langley Holdings PLC
Registered in England and Wales
Company number 01321615
9 February 2024

Langley Holdings plc
Independent Auditor's report to the member
For the year ended 31 December 2023



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 2023 which comprise the Consolidated Income Statement, the Consolidated Statement of Other Comprehensive Income, the Consolidated and Parent Company Statements of Financial Position, the Consolidated and Parent Company Statement of Changes in Equity, the Consolidated and Parent Company Statements of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

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 2023 and of the Group's profit for the period then ended;
- the Group and the Parent Company financial statements have been properly prepared in accordance with UK-adopted international accounting standards; 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.

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.

Langley Holdings plc

Independent Auditor's report to the member

For the year ended 31 December 2023



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 9, 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 revenue recognition, the valuation of investment properties, provisioning of work-in-progress and management override of controls to be the areas most susceptible to the risk of material misstatement due to fraud and non-compliance.

Langley Holdings plc
Independent Auditor's report to the member
For the year ended 31 December 2023



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 LLP

Chartered Accountants
Statutory Auditors
71 Queen Victoria Street
London
EC4V 4BE

13 February 2024

Langley Holdings plc
Consolidated income statement
For the year ended 31 December 2023



	Notes	2023 €'000	2022 €'000
Revenue	2	1,206,197	1,172,485
Cost of sales		(799,653)	(821,005)
Gross profit		406,544	351,480
Distribution costs		(95,225)	(80,304)
Administrative expenses		(199,740)	(202,884)
Other income	3	9,236	6,703
Operating profit	4	120,815	74,995
Finance income	5	4,511	1,467
Finance costs	6	(451)	(735)
Profit before taxation		124,875	75,727
Income tax credit / (expense)	10	4,825	(28,832)
Profit for the year		129,700	46,895

All profit for the year is attributable to the equity holder of the Parent Company. All amounts relate to continuing operations.

The notes on pages 24 to 70 form part of these accounts

Langley Holdings plc
Consolidated statement of other comprehensive income
For the year ended 31 December 2023



	Notes	2023 €'000	2022 €'000
Profit for the year		129,700	46,895
Other comprehensive income:			
Items which will not be reclassified to profit and loss			
Re-measurement (loss) / gain on defined benefit pension schemes	9	(7)	263
Deferred tax loss relating to re-measurement of defined benefit pension scheme	28	(8)	(21)
Items which may be reclassified to profit and loss			
Exchange differences on translation of foreign operations	35	(7,926)	(17,323)
Other comprehensive income for the year		(7,941)	(17,081)
Total comprehensive income for the year		121,759	29,814

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

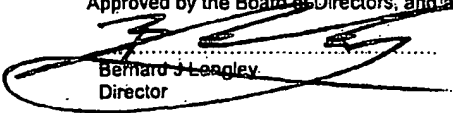
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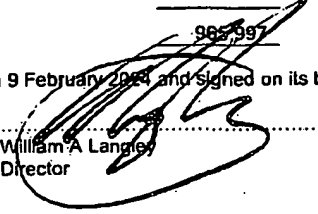
Langley Holdings plc
Consolidated statement of financial position
For the year ended 31 December 2023



		2023	2022
	Notes	€'000	€'000
Non-current assets			
Intangible assets	11	14,380	18,370
Property, plant and equipment	12	291,843	296,971
Investments	13	14	14
Investment properties	14	58,370	62,576
Trade and other receivables	15	4,252	4,924
Deferred income tax assets	28	64,300	32,526
		<u>433,159</u>	<u>415,381</u>
Current assets			
Inventories	16	449,920	434,999
Trade and other receivables	17	272,926	274,766
Current income tax recoverable	19	5,413	5,857
Cash and cash equivalents	20	290,329	240,901
		<u>1,018,588</u>	<u>956,523</u>
Current liabilities			
Current borrowings	24	60	62
Current income tax liabilities	23	10,614	8,490
Trade and other payables	21	351,617	397,382
Provisions	22	24,851	26,787
		<u>387,142</u>	<u>432,721</u>
Net current assets		<u>631,446</u>	<u>523,802</u>
Total assets less current liabilities		<u>1,064,605</u>	<u>939,183</u>
Non-current liabilities			
Provisions	22	6,373	10,651
Long term borrowings	24	-	62
Trade and other payables	25	38,447	29,579
Retirement benefit obligations	26	11,216	12,288
Non-current income tax liabilities	27	416	131
Deferred income tax liabilities	28	42,156	42,234
		<u>98,608</u>	<u>94,945</u>
Net assets		<u>965,997</u>	<u>844,238</u>
Equity			
Share capital	33	71,227	71,227
Merger reserve	34	4,491	4,491
Translation reserve	35	(31,880)	(23,954)
Retained earnings		922,159	792,474
Total equity		<u>965,997</u>	<u>844,238</u>

Approved by the Board of Directors, and authorised for issue on 9 February 2024 and signed on its behalf by:


 Bernard J. Langley
 Director


 William A. Langley
 Director

The notes on pages 24 to 70 form part of these accounts

Langley Holdings plc
Consolidated statement of changes in equity
For the year ended 31 December 2023



	Share capital	Merger reserve	Translation reserve	Retained earnings	Total
	€'000	€'000	€'000	€'000	€'000
At 1 January 2022	71,227	4,491	(6,631)	745,337	814,424
Profit for the year	-	-	-	46,895	46,895
Currency exchange difference arising on retranslation	-	-	(17,323)	-	(17,323)
Re-measurement of defined benefit schemes net of deferred tax	-	-	-	242	242
Total comprehensive income	-	-	(17,323)	47,137	29,814
At 31 December 2022	71,227	4,491	(23,954)	792,474	844,238
Profit for the year	-	-	-	129,700	129,700
Currency exchange difference arising on retranslation	-	-	(7,926)	-	(7,926)
Re-measurement of defined benefit schemes net of deferred tax	-	-	-	(15)	(15)
Total comprehensive income	-	-	(7,926)	129,685	121,759
At 31 December 2023	71,227	4,491	(31,880)	922,159	965,997

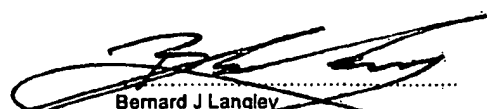
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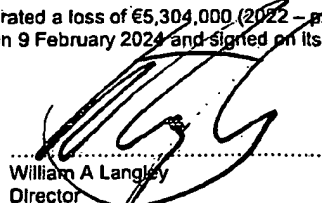
Langley Holdings plc
Company statement of financial position
For the year ended 31 December 2023



	Notes	2023 €'000	2022 €'000
Non-current assets			
Property, plant and equipment	12	16,458	15,501
Investments	13	228,463	167,636
Investment properties	14	15,755	12,464
		<u>260,676</u>	<u>195,601</u>
Current assets			
Inventories	16	22	28
Trade and other receivables	17	242,332	313,871
Current income tax recoverable	19	402	1,467
Cash and cash equivalents	20	52,021	39,276
		<u>294,777</u>	<u>354,642</u>
Current liabilities			
Trade and other payables	21	17,107	14,208
Net current assets		<u>277,670</u>	<u>340,434</u>
Total assets less current liabilities		<u>538,346</u>	<u>536,035</u>
Non-current liabilities			
Deferred income tax liabilities	28	1,132	351
Net assets		<u>537,214</u>	<u>535,684</u>
Equity			
Share capital	33	71,227	71,227
Merger reserve	34	4,491	4,491
Translation reserve	35	(12,663)	(19,497)
Retained earnings		474,159	479,463
Total equity		<u>537,214</u>	<u>535,684</u>

During the year ended 31 December 2023, the Company generated a loss of €5,304,000 (2022 – profit of €35,713,000).
Approved by the Board of Directors, and authorised for issue on 9 February 2024 and signed on its behalf by:


Bernard J Langley
Director


William A Langley
Director

The notes on pages 24 to 70 form part of these accounts

Langley Holdings plc
Company statement of changes in equity
For the year ended 31 December 2023



	Share capital	Merger reserve	Translation reserve	Retained earnings	Total
	€'000	€'000	€'000	€'000	€'000
At 1 January 2022	71,227	4,491	(3,530)	443,750	515,938
Profit for the year	-	-	-	35,713	35,713
Currency exchange difference arising on retranslation	-	-	(15,967)	-	(15,967)
Total comprehensive income	-	-	(15,967)	35,713	19,746
At 31 December 2022	71,227	4,491	(19,497)	479,463	535,684
Loss for the year	-	-	-	(5,304)	(5,304)
Currency exchange difference arising on retranslation	-	-	6,834	-	6,834
Total comprehensive income	-	-	6,834	(5,304)	1,530
At 31 December 2023	71,227	4,491	(12,663)	474,159	537,214

The notes on pages 24 to 70 form part of these accounts

Langley Holdings plc
Consolidated statement of cash flows
For the year ended 31 December 2023



	Notes	2023 €'000	2022 €'000
Cash flows from operating activities			
Cash generated from operations	36	89,146	10,927
Bank and loan interest paid		(234)	(491)
Interest received		4,511	1,467
Income taxes paid		(24,181)	(27,442)
Net cash generated from / (used in) operating activities		69,242	(15,539)
Cash flows from investing activities			
Purchase of business combination		-	2,594
Purchase of intangible assets	11	(878)	(6,727)
Purchase of property, plant and equipment	12	(18,517)	(10,870)
Proceeds from sale of property, plant and equipment		636	(72)
Net cash used in investing activities		(18,759)	(15,075)
Cash flows from financing activities			
Repayment of bank loans		(64)	(49)
Principal payment of lease liabilities		(3,318)	(3,598)
Net cash used in financing activities		(3,382)	(3,647)
Net increase / (decrease) in cash and cash equivalents		47,101	(34,261)
Cash and cash equivalents at 1 January		240,901	290,988
Effects of exchange rate changes on cash and cash equivalents		2,327	(15,826)
Cash and cash equivalents at 31 December		290,329	240,901
Cash and cash equivalents consists of:			
Cash in hand, at bank and short-term deposits	20	290,329	240,901

The notes on pages 24 to 70 form part of these accounts

Langley Holdings plc
Company statement of cash flows
For the year ended 31 December 2023



	Notes	2023 €'000	2022 €'000
Cash flows from operating activities			
Cash (used in)/generated from operations	36	(2,097)	19,566
Interest received		10,550	8,676
Interest paid		-	(31)
Income taxes paid		(168)	(785)
Net cash generated from operating activities		<u>8,285</u>	<u>27,426</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(1,811)	(407)
Loans made to group entities		(6,678)	(94,994)
Working capital adjustment on previous acquisitions	13	-	2,594
Dividends received from investments		13,915	25,799
Proceeds from sale of property, plant and equipment		<u>119</u>	<u>49</u>
Net cash generated from / (used in) investing activities		<u>5,545</u>	<u>(66,959)</u>
Net increase/(decrease) in cash and cash equivalents		<u>13,830</u>	<u>(39,533)</u>
Cash and cash equivalents at 1 January		39,276	87,606
Effects of exchange rate changes on cash and cash equivalents		<u>(1,085)</u>	<u>(8,797)</u>
Cash and cash equivalents at 31 December		<u>52,021</u>	<u>39,276</u>
Cash and cash equivalents consists of:			
Cash in hand, at bank and short-term deposits	20	52,021	39,276

The notes on pages 24 to 70 form part of these accounts

Langley Holdings plc

Notes to the accounts

For the year ended 31 December 2023



1. Accounting policies

a) Basis of preparation

Langley Holdings plc (registered number 01321615) is a public limited Company incorporated in England and Wales and limited by shares. The address of its registered office is Enterprise Way, Retford, Nottingham, DN22-7HH.

The financial statements of both the Group and the Company have been prepared in accordance with the Companies Act 2006 and international accounting standards (IAS) as adopted by the United Kingdom.

The financial statements are prepared in euro, which is the functional currency of the majority of the Group. Monetary amounts in these financial statements are rounded to the nearest €1,000.

The financial statements have been prepared on a historical cost basis, except for the measurement of investment property and measurement of defined benefit pension schemes.

Adoption of new and revised standards

During the financial year, the Group has adopted the following new IFRSs (including amendments thereto) and IFRIC interpretations, that became effective for the first time.

- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements)
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors)
- Deferred Tax related to Assets and Liabilities arising from a single Transaction (Amendments to IAS 12 Income Taxes)
- Internal Tax Reform – Pillar Two Model Rules (Amendments to IAS 12)

The adoption has not had any material impact on the disclosures or amounts reported in the financial statements.

Standards issued but not yet effective:

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not yet been applied in these financial statements, were in issue but not yet effective.

- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)
- Classification of Liabilities as Current or Non-Current, Non-Current Liabilities with Covenants: Amendments to IAS 1
- Supplier Finance Arrangements (Amendments to IAS 7 and IFRS 7)

Each of the above is effective for periods beginning on or after 1 January 2024.

The directors are evaluating the impact that these standards will have on the financial statements of the Group.

At the date of authorisation of these financial statements, the following standards and interpretations relevant to the Group and which have not been applied in these financial statements, have not been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed.

- Lack of Exchangeability (Amendments to IAS 21)

The directors are evaluating the impact that these standards will have on the financial statements of the Group.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



1. Accounting policies (continued)

b) Consolidation

The consolidated financial statements incorporate the accounts of the Company and all of its subsidiary undertakings for the year ended 31 December 2023 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 loss (2022: profit) generated by the Company is disclosed under the Company Statement of Financial Position.

c) Goodwill

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

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

d) Impairment of intangible assets

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

The amortisation on those intangible assets that do not have an indefinite useful life is charged to administrative 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, net of depreciation and any impairment provision. Depreciation and any impairment provisions, are charged to administrative expenses in the Income Statement and is calculated as follows:

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

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



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 the revaluation on transfer, and any subsequent revaluations, recognised in the income statement.

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

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

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

g) Financial instruments

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

Trade receivables and contract assets

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

- i. The financial asset is credit-impaired; or
- ii. 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.

h) Investments

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

i) Inventories and work in progress

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

Raw materials and consumables	average cost is used in divisions where the prices of inputs fluctuate, and first in first out is used in divisions where the cost of inputs generally increases steadily. This method results in a better matching of costs and revenue and results in a more accurate value of stock at the year-end.
Finished goods	cost of raw materials, spares and machinery construction including 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.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



1. Accounting policies (continued)

i) Inventories and work in progress (continued)

Where the group applies standard costing as the basis for measurement of inventories, under and over recovery of production overheads can occur where actual production levels differ to those budgeted within the standard costing. It is the Group's policy to account for any differences arising within administrative expenses in the Consolidated income statement.

j) Revenue recognition

Revenue is recognised in accordance with the transfer of promised goods or services to customers (ie 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 which are typically indistinct and hence are accounted for together in a single performance obligation. Where multiple performance obligations exist within one contract, the transaction price is allocated between each performance obligation on the basis of past experience, with reference to stand-alone selling prices of each component.

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

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

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

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 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 one year.

Sale of goods

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

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



1. Accounting policies (continued)

j) Revenue recognition (continued)

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 1q.

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 in note 2. This revenue will be recognised in the next accounting period.

k) Taxes

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

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

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them. Deferred tax assets are accounted for within non-current assets and are not discounted.

l) Foreign currencies

Transactions and balances

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

Accounts of overseas operations

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

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

Preparation of Financial Statements

These Financial Statements have been presented in euro because the majority of the Group's trade is conducted in this currency. Income and expense items are translated at the average exchange rates for the period unless exchange rates fluctuate significantly. Assets and liabilities are translated at the closing exchange rate. Exchange differences arising are classified as equity. Monetary amounts in these financial statements are rounded to the nearest €1,000.

The average exchange rate during the year was €1.15 (2022 - €1.17, 2021 - €1.17) to the Pound Sterling. The opening exchange rate was €1.13 (2022 - €1.19, 2021 - €1.10) to the Pound Sterling and the closing exchange rate was €1.15 (2022 - €1.13, 2021 - €1.19) to the Pound Sterling.

m) Cash and cash equivalents

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

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



1. Accounting policies (continued)

n) Post-employment benefit obligations

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

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

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

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

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

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

o) Leases

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. Lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an 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 at constant periodic rate over the term of the lease.

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

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

On adoption of IFRS 16, the Group elected not to reassess whether a contract is or contains a lease at the date of initial application.

p) Rental income from investment properties

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

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



1. Accounting policies (continued)

q) Provisions

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

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

Other provisions consist of restructuring provisions, onerous contracts and other smaller claims. Restructuring provisions are recognised at the point that there is a constructive, or legal, obligation. These are valued based on the costs attributable to the related restructure, including redundancies and relocation costs. Any changes in the plan to restructure are recognised as additions to the provisions. Onerous contracts are recognised when management identify that an agreement will be loss making to the Group. These are valued based on the excess costs that the Group expect to incur to fulfil its obligations, these include labour and other materials that the Group expects to incur.

r) Dividend policy

Dividend distribution to the Company's Shareholder is recognised as a liability in the Group's accounts in the period in which the dividends are approved. Approval is obtained from the Company's directors for interim dividends and the Shareholder for final dividends.

s) Research and development

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

t) Government grants

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

u) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the accounts in conformity with UK-adopted international accounting standards 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 and output methods used by the Group to measure the amount of revenue to be recognised is based on costs incurred to date relative to total expected costs, which requires significant judgement. Contracts can be highly bespoke and hence historical cost information is not always useful in estimating future costs. Revenue recognised from capital contracts in the year totalled €642,487,000 (2022- €595,661,000). The Group's policies for the recognition of revenue and profit are set out above.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



1. Accounting policies (continued)

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

- ii. *Investment property valuation*
Determining the fair value of investment properties requires significant estimates to be made, with reference to third party information and market conditions. The Group engages valuation experts to assist with fair valuing the investment properties. The valuation of investment properties is disclosed in note 14.
- 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 rates. 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. The incremental borrowing rate used for discounting right of use assets is based on the expected interest rate available to the Group to borrow on similar terms for a similar period as the lease.
- 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 or reversal of impairment is conducted, the recoverable amount of an asset or a cash-generating unit is determined based on value-in-use calculations prepared on the basis of management's assumptions and estimates.
- vi. *Income taxes*
The Group is subject to income taxes in numerous jurisdictions. Significant estimation is required in determining the provision for income taxes in each territory. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts which were initially recorded, such differences will impact the income tax and deferred tax provision in the period to which such determination is made. See notes 10 and 28 for further information.
- vii. *Provisions*
Provision is made for liabilities that are uncertain in timing or amount of settlement. These include provisions for rectification and warranty claims as well as for specific claims, redundancy and restructuring. Calculations of these provisions are based on cash flows relating to these costs estimated by management supported by the use of external consultants where needed and discounted at an appropriate rate where the impact of discounting is material. See note 22 for details.
- viii. *Deferred tax asset*
The Group recognises deferred tax assets for losses to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. During the year the Group recognised a deferred tax asset in Bergen Engines AS of €34.7m for the tax losses acquired in 2021. The Group expect the losses to be utilised within five years on the basis of the current projections and plans prepared by management. See note 28 for further information.

2. Revenue

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

	2023 €'000	2022 €'000
Revenue from capital contracts	642,487	595,661
Aftermarket	563,710	576,824
	<u>1,206,197</u>	<u>1,172,485</u>

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



2. Revenue (continued)

The aggregate amount of the transaction price allocated to performance obligation that are unsatisfied, or partially unsatisfied, at the reporting date was €489,600,000 (2022 - €512,300,000). 80% of the unsatisfied, or partially unsatisfied, performance obligations are expected to be recognised as revenue in 2024.

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

An analysis of the Group's revenue by geographical region is as follows:

	2023 €'000	2022 €'000
UK	79,494	94,739
Germany	171,830	180,515
Other Europe	473,315	427,681
North America	136,224	169,843
South and Central America	67,184	36,782
Asia	216,859	224,766
Rest of world	61,291	38,159
	<u>1,206,197</u>	<u>1,172,485</u>

3. Other income

	2023 €'000	2022 €'000
Other operating income	8,970	6,703
Gain on fair value movements arising on investment properties (note 14)	266	-
Total other income	<u>9,236</u>	<u>6,703</u>

4. Operating profit

	2023 €'000	2022 €'000
Operating profit has been arrived at after charging/ (crediting):		
Directors' emoluments (note 7)	1,308	1,348
Depreciation of owned assets (note 12)	20,759	19,947
Depreciation of right-of-use assets (note 12)	3,113	3,769
(Gain) / loss on fair value movements arising on investment properties (note 14)	(266)	1,330
Impairment of owned assets (note 12)	585	2,551
Impairment of intangibles (note 11)	60	-
Reversal of impairment of owned assets (note 12)	-	(3,004)
Amortisation of intangibles (note 11)	4,482	4,452
Government grants	(1,511)	(701)
Research and development costs	14,515	17,463
Profit on sale of property, plant, and equipment	(434)	(765)
Fees payable to the Group's auditor for the audit of the Group's accounts	225	181
Fees payable to the Group's auditor and its associates for other services		
– the auditing of Subsidiary accounts	690	1,121
– all other services	232	329
Fees paid by subsidiaries to secondary auditors for other services		
– the auditing of Subsidiary accounts	815	572
– other services relating to taxation compliance	320	128
– all other services	159	178
Impairment of trade receivables	536	646
Impairment / reversal of impairment of inventories	5,303	(1,055)
Cost of inventories recognised as an expense (included in cost of sales)	543,129	561,819
Other gains	-	(2,594)
Net loss / (gain) on foreign currency translation	3,948	(2,767)

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



5. Finance income

	2023	2022
	€'000	€'000
Bank interest receivable	4,215	645
Other interest	296	822
	<u>4,511</u>	<u>1,467</u>

6. Finance costs

	2023	2022
	€'000	€'000
Interest relating to lease liabilities	217	244
Other interest	234	491
	<u>451</u>	<u>735</u>

7. Key management personnel compensation

	2023	2022
	€'000	€'000
Salaries and short-term employee benefits	1,481	1,529
Post-employment benefits	3	3
	<u>1,484</u>	<u>1,532</u>

All of the above key management personnel compensation relates to directors.

Directors' emoluments

	2023	2022
	€'000	€'000
Aggregate emoluments as directors of the company	1,305	1,345
Value of Group pension contributions to money purchase schemes	3	3
	<u>1,308</u>	<u>1,348</u>

Emoluments of the highest paid director

501 533

Number of directors who are accruing benefits under money purchase pension schemes

No.
2 2

8. Employee numbers and costs

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

	2023	2022
	No	No
Management, office, and sales	2,408	2,620
Manufacturing and direct labour	2,753	2,710
	<u>5,161</u>	<u>5,330</u>

The aggregate payroll costs of these persons were as follows:

	2023	2022
	€'000	€'000
Wages and salaries	298,403	304,418
Social security costs	60,104	60,989
Other pension costs	6,461	6,921
Restructuring costs	-	5,553
	<u>364,968</u>	<u>377,881</u>

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



8. Employee numbers and costs (continued)

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

	2023	2022
	No	No
Management, office, and sales	24	21

The aggregate payroll costs of these persons were as follows:

	2023	2022
	€'000	€'000
Wages and salaries	1,930	1,844
Social security costs	243	255
Other pension costs	88	88
	<u>2,261</u>	<u>2,187</u>

9. Post-employment benefits

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

	2023	2022
	€'000	€'000
Statement of financial position obligations for:		
Defined pension benefits	(9,300)	(10,264)
Post-employment medical benefits	(1,916)	(2,024)
Liability in the statement of financial position	<u>(11,216)</u>	<u>(12,288)</u>
Income statement (charge)/credit included in operating expenses for:		
Defined pension benefits	(666)	(248)
Post-employment medical benefits	-	145
	<u>(666)</u>	<u>(103)</u>
	2023	2022
	€'000	€'000
Re-measurements (charge)/credit for:		
Defined pension benefits	47	263
Post-employment medical benefits	-	394
	<u>47</u>	<u>657</u>

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.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



9. Post-employment benefits (continued)

a) Defined benefit pension schemes (continued)

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

	2023 €'000	2022 €'000
Present value of funded obligations	(13,302)	(12,636)
Fair value of plan assets	14,173	13,781
Net surplus on funded plans	871	1,145
Present value of unfunded obligations	(8,831)	(9,793)
Total deficit of defined benefit pension plans	(7,960)	(8,648)
Impact of asset ceiling	(1,340)	(1,616)
Liability in the statement of financial position	(9,300)	(10,264)

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:

	2023 €'000	2022 €'000
Current service cost	572	269
Net interest (income)/cost	94	(21)
	666	248

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

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

	2023 €'000	2022 €'000
(Loss) / gain from changes in financial assumptions	(167)	6,388
Gain from changes in demographic assumptions	195	45
Experience (losses)/gains	(330)	(757)
Return on assets, excluding interest income	(202)	(6,247)
Exchange adjustments	(56)	(32)
Change in the effect of the asset ceiling excluding interest income	607	866
	47	263

Changes in present value of obligations:

	2023 €'000	2022 €'000
Present value of obligations at start of the year	(22,429)	(29,868)
On acquisition	(6)	-
Current service cost	572	269
Interest cost	(481)	(351)
Actuarial (loss)/gain on scheme liabilities based on:		
- Changes in financial assumptions	(353)	6,389
- Changes in demographic assumptions	285	45
- Changes in experience	(358)	(757)
- Benefits paid	901	1,074
Plan contributions	(22)	(2)
Exchange differences	(242)	772
Present value of obligation at end of the year	(22,133)	(22,429)

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



9. Post-employment benefits (continued)

a) Defined benefit pension schemes (continued)

Changes in the fair value of scheme assets:

	2023	2022
	€'000	€'000
Fair value of scheme assets at the start of the year	13,781	21,512
Interest income	656	375
Re-measurement of scheme assets	90	(6,247)
Contributions by employers	(141)	34
Benefits paid	(484)	(1,013)
Exchange differences	271	(880)
Fair value of scheme assets at the end of the year	<u>14,173</u>	<u>13,781</u>

The significant actuarial assumptions were as follows:

	2023		2022	
	UK	Eurozone	UK	Eurozone
Rate of increase in salaries	-	3.5%	-	3.5%
Discount rate	4.40-4.55%	1.00-4.50%	4.75-4.90%	1.00-4.50%
Inflation	3.30%	5.75-7.00%	3.10-3.45%	5.75-7.00%

The inflation assumption shown for the UK is for the Retail Price Index. The assumption for the Consumer Price Index at 31 December 2023 was 2.50-2.80%.

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:

	2023	2022
Retiring at the end of the reporting period:		
- Male	21 - 22 years	22 - 23 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	25 - 26 years	26 years

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 2.2 - 3.0%	Increase obligation by 2.2 - 3.0%
Inflation	0.25%	Increase obligation by 0 - 2.1%	Decrease obligation by 0 - 2.1%
Life expectancy	1 year	Increase obligation by 4.2 - 4.4%	Decrease obligation by 4.2 - 4.4%

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.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



9. Post-employment benefits (continued)

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:

	2023 €'000	2022 €'000
Present value of unfunded obligations	(1,916)	(2,024)
Liability in the statement of financial position	<u>(1,916)</u>	<u>(2,024)</u>

Changes in the present value of defined benefit obligations:

	2023 €'000	2022 €'000
Present value of obligation at the start of the year	(2,024)	(2,621)
The amount recognised in the income statement:		
Current service cost	(143)	(138)
Interest expense	(5)	(7)
	<u>(148)</u>	<u>(145)</u>

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

Gain from change in demographic assumptions	12	62
Gain/(loss) from change in financial assumptions	(90)	332
	<u>(78)</u>	<u>394</u>
Other movement	90	92
Payments from scheme contributions – benefit payments	205	285
Exchange differences	39	(29)
Present value of obligations at the end of the year	<u>(1,916)</u>	<u>(2,024)</u>

c) Post-employment benefits (pension and medical)

Schemes' assets are comprised as follows:

	2023		2022	
	Total €'000	%	Total €'000	%
Equity instruments	6,939	49%	5,354	39%
Equities and equity funds	4,854		2,270	
Diversified growth fund	2,085		3,084	
Debt instruments	4,203	30%	3,869	28%
Government	1,088		34	
Corporate bonds (investment grade)	3,115		3,835	
Other	2,852	20%	2,918	21%
Cash and cash equivalents	179	1%	1,640	12%
Total	<u>14,173</u>	<u>100%</u>	<u>13,781</u>	<u>100%</u>

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



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.

With regard to 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 2023 consist of equities and bonds, although the Group also invests in property, liability-driven investments, and cash.

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

Expected contributions to post-employment benefit schemes for the year ending 31 December 2024 are €nil. The weighted average duration of the defined benefit obligation is 15 years.

d) Post-employment benefits (defined contribution schemes)

Contributions to defined contribution pension schemes, whereby the scheme assets and liabilities are held separately from those of the Group, totalled €5,794,000 (2022– €6,673,000).

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



10. Income tax expense

a) Charge for the year

	2023	2022
	€'000	€'000
Current income tax:		
UK corporation tax at 23.52% (2022 – 19%)	4,618	5,397
Overseas tax	21,781	19,512
Adjustments to prior year UK tax	28	668
Adjustments to prior year overseas tax	(711)	1,589
Other	31	-
Total current taxation	<u>25,747</u>	<u>27,166</u>
Deferred income tax:		
Movement in overseas deferred tax	(31,185)	1,020
Movement in UK deferred tax	613	646
Total deferred taxation	<u>(30,572)</u>	<u>1,666</u>
Income tax (credit) / expense	<u>(4,825)</u>	<u>28,832</u>

The UK Corporation tax rate rose from 19% to 25% on 1 April 2023. The tax rate shown of 23.52% is a prorated figure and reflects the two different rates applicable in the year.

b) Factors affecting tax expense

	2023	2022
	€'000	€'000
Profit before taxation	<u>124,875</u>	<u>75,727</u>
Profit before taxation multiplied by the average rate of tax of 23.52% (2022 – 19 %)	29,370	14,388
Expenses not deductible for tax purposes	(18)	933
Effect of foreign tax rates	(3,712)	(971)
Utilisation of brought forward losses	(6,814)	(1,768)
Deferred tax assets not recognised	5,774	16,145
Income not taxable	-	90
Other overseas taxes	4,237	3,051
Adjustment to tax charge in previous period	(683)	2,201
Recognition of previously unrecognised deferred tax losses	(32,420)	(5,251)
Exchange adjustment	(559)	14
Tax (credit) / expense	<u>(4,825)</u>	<u>28,832</u>

c) Factors that may affect future tax charges

Pillar Two legislation has been enacted or substantively enacted in certain jurisdictions that the Group operates. The Group is currently assessing the potential exposure arising from the Pillar Two legislation.

The Group had UK tax losses of approximately €4,027,000 at 31 December 2023 (2022 – €4,876,000) available for carry forward against future trading profits. In addition, the Claudius Peters Group had overseas tax losses of approximately €16,837,000 at 31 December 2023 (2022 – €15,859,000), the Manroland Group €151,296,000 (2022 – €169,542,000), the Druck Chemie Group €4,638,000 (2022 – €5,291,000), the Marelli Group €47,362,000 (2022 – €73,788,000) and the Bergen Engines Group €185,360,000 (2022 – €208,172,000) available for carry forward against future trading profits.

The Organisation for Economic Co-operation and Development (OECD)/G20 Inclusive Framework on Base Erosion and Profit Shifting published the Pillar Two model rules designed to address the tax challenges arising from the digitalisation of the global economy.

The Group applies the mandatory exception to recognising and disclosing information about deferred tax assets and liabilities relating to Pillar Two income taxes, as provided in the amendments to IAS 12 issued in May 2023.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



11. Intangible assets

Group	Positive Goodwill €'000	Patents and Licences €'000	Customer Contracts €'000	Total €'000
Cost				
At 1 January 2023	9,935	17,637	5,646	33,218
Additions	-	878	-	878
Disposal	-	(160)	-	(160)
Impairments	(60)	-	-	(60)
Exchange adjustment	(80)	(2)	-	(82)
At 31 December 2023	9,795	18,353	5,646	33,794
Aggregate impairment and amortisation				
At 1 January 2023	-	12,590	2,258	14,848
Amortisation charge for the year	-	3,353	1,129	4,482
Disposal	-	(144)	-	(144)
Exchange adjustment	-	228	-	228
At 31 December 2023	-	16,027	3,387	19,414
Net book values				
At 31 December 2023	9,795	2,326	2,259	14,380
At 31 December 2022	9,935	5,047	3,388	18,370
Group	Positive Goodwill €'000	Patents and Licences €'000	Customer Contracts €'000	Total €'000
Cost				
At 1 January 2022	10,122	11,136	5,646	26,904
Additions	-	6,727	-	6,727
Disposal	-	(225)	-	(225)
Exchange adjustment	(187)	(1)	-	(188)
At 31 December 2022	9,935	17,637	5,646	33,218
Aggregate impairment and amortisation				
At 1 January 2022	-	9,483	1,129	10,612
Amortisation charge for the year	-	3,323	1,129	4,452
Disposal	-	(222)	-	(222)
Exchange adjustment	-	6	-	6
At 31 December 2022	-	12,590	2,258	14,848
Net book values				
At 31 December 2022	9,935	5,047	3,388	18,370
At 31 December 2021	10,122	1,653	4,517	16,292

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



12. Property, plant and equipment

Group	Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost					
At 1 January 2023	284,216	218,552	59,798	43,100	605,666
Additions – right-of-use assets	2,533	-	4	-	2,537
Additions – owned assets	949	9,728	6,643	1,197	18,517
Disposals	(1,160)	(2,918)	(3,270)	(1,591)	(8,939)
Transfers	4,746	-	-	-	4,746
Reclassification	20	21,715	(10)	(21,725)	-
Exchange adjustments	(5,369)	(4,119)	857	(1,547)	(10,178)
At 31 December 2023	<u>285,935</u>	<u>242,958</u>	<u>64,022</u>	<u>19,434</u>	<u>612,349</u>
Depreciation					
At 1 January 2023	92,184	145,433	31,043	40,035	308,695
Charge for the year – owned assets	3,767	11,184	4,612	1,196	20,759
Charge for the year – right-of-use assets	2,892	57	164	-	3,113
Impairments	-	579	6	-	585
Disposals	(1,498)	(2,741)	(2,986)	(1,512)	(8,737)
Reclassification	(5)	21,759	(27)	(21,727)	-
Exchange adjustment	(144)	(2,578)	417	(1,604)	(3,909)
As at 31 December 2023	<u>97,196</u>	<u>173,693</u>	<u>33,229</u>	<u>16,388</u>	<u>320,506</u>
Net book amount					
At 31 December 2023	<u>188,739</u>	<u>69,265</u>	<u>30,793</u>	<u>3,046</u>	<u>291,843</u>
At 31 December 2022	<u>192,032</u>	<u>73,119</u>	<u>28,755</u>	<u>3,065</u>	<u>296,971</u>

Group	Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost					
At 1 January 2022	293,431	217,189	62,147	44,218	616,985
Additions – right-of-use assets	4,864	-	358	-	5,222
Additions – owned assets	1,475	6,153	2,349	892	10,869
Disposals	(11,014)	(3,995)	(3,052)	(1,156)	(19,217)
Exchange adjustments	(4,540)	(795)	(2,004)	(854)	(8,193)
At 31 December 2022	<u>284,216</u>	<u>218,552</u>	<u>59,798</u>	<u>43,100</u>	<u>605,666</u>
Depreciation					
At 1 January 2022	89,503	138,152	32,657	41,003	301,315
Charge for the year – owned assets	4,698	9,870	4,258	1,121	19,947
Charge for the year – right-of-use assets	3,312	163	294	-	3,769
Impairments	849	1,702	-	-	2,551
Reversal of impairments	-	-	(2,882)	(122)	(3,004)
Disposals	(5,403)	(2,556)	(2,245)	(832)	(11,036)
Exchange adjustment	(775)	(1,898)	(1,039)	(1,135)	(4,847)
As at 31 December 2022	<u>92,184</u>	<u>145,433</u>	<u>31,043</u>	<u>40,035</u>	<u>308,695</u>
Net book amount					
At 31 December 2022	<u>192,032</u>	<u>73,119</u>	<u>28,755</u>	<u>3,065</u>	<u>296,971</u>
At 31 December 2021	<u>203,928</u>	<u>79,037</u>	<u>29,490</u>	<u>3,215</u>	<u>315,670</u>

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



12. Property, plant and equipment (continued)

Company	Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost					
At 1 January 2023	19,225	7,193	2,095	362	28,875
Additions	-	43	1,762	6	1,811
Disposals	-	(29)	(295)	-	(324)
Exchange adjustments	377	140	41	7	565
At 31 December 2023	19,602	7,347	3,603	375	30,927
Depreciation					
At 1 January 2023	6,113	5,110	1,809	342	13,374
Disposals	-	(29)	(288)	-	(317)
Charge for the year – owned assets	345	589	193	20	1,147
Exchange adjustments	121	102	36	6	265
At 31 December 2023	6,579	5,772	1,750	368	14,469
Net book amount					
At 31 December 2023	13,023	1,575	1,853	7	16,458
At 31 December 2022	13,112	2,083	286	20	15,501

Company	Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost or valuation					
At 1 January 2022	20,256	7,729	2,211	387	30,583
Additions	-	249	149	9	407
Disposals	-	(392)	(152)	(14)	(558)
Exchange adjustments	(1,031)	(393)	(113)	(20)	(1,557)
At 31 December 2022	19,225	7,193	2,095	362	28,875
Depreciation					
At 1 January 2022	5,773	5,138	1,870	337	13,118
Disposals	-	(385)	(152)	(13)	(550)
Charge for the year – owned assets	655	640	199	28	1,522
Exchange adjustments	(315)	(283)	(108)	(10)	(716)
At 31 December 2022	6,113	5,110	1,809	342	13,374
Net book amount					
At 31 December 2022	13,112	2,083	286	20	15,501
At 31 December 2021	14,483	2,591	341	50	17,465

Included within the Group plant and machinery are assets under construction totalling €3,023,000 (2022: €375,000) which have not been depreciated. Included within freehold land and buildings is land with a carrying value of €15,080,000 (2022: €15,108,000) which is not depreciated. The above table also includes the Right of Use assets detailed in note 37 on page 55 of the accounts.

At the reporting date the Group had capital commitments of €2,702,000 (2022: €2,252,000).

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



12. Property, plant and equipment (continued)

The Group undertakes an annual impairment assessment on its aircraft owing to the existence of impairment indicators. The valuation is assessed by third parties using parameters including aircraft type, age, and total flying time. In prior years, an impairment charge was subsequently recognised. In the prior year, the valuation determined that the market value of the aircraft had risen due to an increase in demand for private charter flights. The directors therefore partially reversed the impairment charge in 2022. No such impairment or reversal of impairment was recognised in 2023.

13. Non-current investments

	Group Shares in unlisted undertakings €'000	Company Shares in Group undertakings €'000
Cost		
At 1 January 2023	14	188,204
Capitalisation of loan balance	-	82,076
Exchange adjustment	-	3,689
At 31 December 2023	14	273,969
Impairment		
At 1 January 2023	-	20,568
Charge for year	-	24,520
Exchange adjustment	-	418
At 31 December 2023	-	45,506
Carrying amount		
At 31 December 2023	14	228,463
At 31 December 2022	14	167,636

	Group Shares in unlisted undertakings €'000	Company Shares in Group undertakings €'000
Cost		
At 1 January 2022	14	195,762
Capitalisation of loan balance	-	5,000
Working capital adjustment on previous acquisitions	-	(2,594)
Exchange adjustment	-	(9,964)
At 31 December 2022	14	188,204
Impairment		
At 1 January 2022	-	21,670
Exchange adjustment	-	(1,102)
At 31 December 2022	-	20,568
Carrying amount		
At 31 December 2022	14	167,636
At 31 December 2021	14	174,092

During the year the Company recognised a capital contribution of €61,676,000 in Marelli Motori SPA following the write off of the corresponding intercompany loan and a capitalisation of €20,000,000 of loan waiver in Sheetfed Holdings Limited which was subsequently impaired.

A list of unlisted subsidiary companies at 31 December 2023 is provided in note 38.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



14. Investment properties

	Group	
	2023	2022
	€'000	€'000
Balance at the beginning of the year	62,576	64,626
Fair value gains / (losses)	266	(1,330)
Transfers to property, plant and equipment	(4,746)	-
Exchange adjustments	274	(720)
Balance at the end of the year	<u>58,370</u>	<u>62,576</u>

	Company	
	2023	2022
	€'000	€'000
Balance at the beginning of the year	12,464	13,133
Fair value gains	3,036	-
Exchange adjustments	255	(669)
Balance at the end of the year	<u>15,755</u>	<u>12,464</u>

During the year, the Group received rental income from their investment properties totalling €5,060,000 (2022 – €5,149,000).

15. Non-current trade and other receivables

	Group	
	2023	2022
	€'000	€'000
Trade receivables	890	2,269
Other receivables	2,557	1,851
Pension scheme prepayment	805	804
	<u>4,252</u>	<u>4,924</u>

An analysis of provisions for bad and doubtful debts along with the ageing of trade receivables that were past due but not impaired is included within note 17.

16. Inventories

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Raw materials	169,882	164,649	-	-
Work in progress	120,543	142,444	-	-
Finished goods	159,495	127,906	22	28
	<u>449,920</u>	<u>434,999</u>	<u>22</u>	<u>28</u>

17. Current trade and other receivables

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Trade receivables	173,698	173,130	305	271
Retentions	4,632	3,818	-	-
Contract assets (note 18)	34,773	26,876	-	-
Amounts owed by Group undertakings	-	-	237,222	312,153
Directors' current accounts	736	396	736	396
Other receivables	23,702	16,127	-	4
VAT recoverable	6,246	10,451	507	572
Prepayments	29,139	43,968	3,562	475
	<u>272,926</u>	<u>274,766</u>	<u>242,332</u>	<u>313,871</u>

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

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



17. 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	
	2023	2022
	€'000	€'000
Balance at beginning of the year	14,053	15,651
Exchange differences	186	(33)
Credit) / Charge for the year	(390)	887
Unused amounts reversed	(1,582)	(2,452)
Balance at end of the year	<u>12,267</u>	<u>14,053</u>

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

No allowance for expected credit losses is recognised within the Company accounts.

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

	<30 days or not yet due	31-60 days	61-90 days	91-120 days	>121 days
	€'000	€'000	€'000	€'000	€'000
Group					
2023	149,067	11,080	5,403	2,719	6,319
2022	<u>149,616</u>	<u>9,486</u>	<u>4,186</u>	<u>2,987</u>	<u>9,127</u>
Company					
2023	8	-	8	-	289
2022	<u>-</u>	<u>5</u>	<u>18</u>	<u>-</u>	<u>248</u>

The Group has adopted a simplified approach to provide for estimated credit losses (ECLs) measuring the expected lifetime loss allowance at a probability weighted amount using historic data on the collection of receivables.

A breakdown of ECLs are disclosed in the table below

Group	Current	1-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	121 days past due or more
		€'000	€'000	€'000	€'000	€'000
Default rate	0.7%	0.7%	1.2%	1.4%	2.8%	38.9%
Gross carrying amount	100,762	50,276	11,324	5,539	2,876	28,301
Lifetime expected credit loss	(664)	(367)	(134)	(76)	(79)	(10,998)

18. Contract assets and liabilities

Group	Current	
	2023	2022
	€'000	€'000
Contract assets	34,773	26,876
Contract Liabilities	(41,955)	(785)
Total	<u>(7,182)</u>	<u>26,091</u>

During the year all of the opening contract liability was recognised as revenue. Net contract assets have decreased by €33,273,000.

At the year-end the directors believe that no allowance for expected credit losses against contract assets is required due to the credit worthiness of companies dealt with. All contract assets and liabilities are expected to be released within the next 12 months.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



19. Current income tax recoverable

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Income tax	5,413	5,857	402	1,467

20. Cash and cash equivalents

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Cash in hand, at bank and short-term deposits	290,329	240,901	52,021	39,276

21. Current trade and other payables

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Trade payables	76,453	102,617	735	453
Other payables	14,203	19,229	54	128
Other taxes and social security	9,612	9,709	76	70
Accruals and deferred income	102,558	112,380	305	283
VAT payable	7,697	6,696	-	-
Amounts owed to Group undertakings	-	-	14,839	12,502
Payments on account	104,952	141,866	-	-
Contract liabilities (note 18)	32,045	785	-	-
Directors' loan account	1,098	772	1,098	772
Lease liabilities	2,999	3,328	-	-
	<u>351,617</u>	<u>397,382</u>	<u>17,107</u>	<u>14,208</u>

22. Provisions

Group	Warranty Provision	Other Provision	Total
	€'000	€'000	€'000
Balance at 1 January 2023	27,227	10,211	37,438
Additional provision recognised	14,563	2,428	16,991
Provision utilised during the year	(11,359)	(5,215)	(16,574)
Provision released during year	(5,126)	(565)	(5,691)
Foreign exchange difference	(900)	(40)	(940)
Balance at 31 December 2023	<u>24,405</u>	<u>6,819</u>	<u>31,224</u>
Current	19,692	5,159	24,851
Non-current	4,713	1,660	6,373
Balance at 1 January 2022	31,707	17,285	48,992
Additional provision recognised	13,226	8,683	21,909
Provision utilised during the year	(9,172)	(2,191)	(11,363)
Provision released during year	(7,831)	(13,506)	(21,337)
Foreign exchange difference	(703)	(60)	(763)
Balance at 31 December 2022	<u>27,227</u>	<u>10,211</u>	<u>37,438</u>
Current	18,378	8,409	26,787
Non-current	8,849	1,802	10,651

The warranty provision is arrived at using estimates from historical warranty data. The other provision includes specific claims and redundancy provisions. The provisions are expected to be utilised over the period 2024 to 2025.

There were no provisions in the Company.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



23. Current income tax liabilities

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Income tax	10,614	8,490	-	-

24. Borrowings

	Group	
	2023	2022
	€'000	€'000
Loans – current	60	62
Loans – non-current	-	62
Total	60	124

25. Non-current trade and other payables

	Group	
	2023	2022
	€'000	€'000
Trade payables	318	433
Accruals and deferred income	15,139	15,746
Contract liabilities (note 18)	9,910	-
Other	26	43
Lease liabilities	13,054	13,357
	38,447	29,579

26 Retirement benefit obligations

Group	2023	2022
	€'000	€'000
At 1 January	12,288	13,489
Total expense recognised in the Consolidated Income Statement in the year	(518)	(103)
Actuarial gains / (losses) – financial assumptions	257	(6,720)
Actuarial losses – demographic assumptions	(207)	(107)
Actuarial losses/(gains) – experience	330	757
Return on assets	202	6,247
Interest expense	81	11
Changes in the effect of asset ceiling	(604)	(947)
Contributions paid	(69)	(67)
Payments from the plan	(481)	(346)
Exchange differences	(63)	74
At 31 December	11,216	12,288
Overseas unfunded defined benefit pension obligations	9,300	10,264
Overseas unfunded medical benefits obligations	1,916	2,024
Retirement benefit obligation in the Consolidated Statement of financial position	11,216	12,288

27. Non-current tax liabilities

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Other corporation tax overseas	416	131	-	-
	416	131	-	-

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



28. Deferred income tax

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

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Deferred tax assets	64,300	32,526	-	-
Deferred tax liabilities	(42,156)	(42,234)	(1,132)	(351)
	<u>22,144</u>	<u>(9,708)</u>	<u>(1,132)</u>	<u>(351)</u>

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

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
At 1 January 2023	(9,708)	(7,619)	(351)	(360)
Income Statement expense	30,535	(1,666)	(772)	(9)
On acquisition	-	(564)	-	-
Release to equity on actuarial loss	(8)	(21)	-	-
Exchange differences	1,325	162	(9)	18
At 31 December 2023	<u>22,144</u>	<u>(9,708)</u>	<u>(1,132)</u>	<u>(351)</u>

Group

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

	Accelerated tax depreciation	Tax losses	Short-term temporary differences	Retirement benefit obligations	Fair value gains	Total
	€'000	€'000	€'000	€'000	€'000	€'000
At 1 January 2022	3,549	(14,317)	(5,702)	(2,647)	26,736	7,619
Charge/(credit) to income statement	695	(1,606)	2,869	-	(292)	1,666
On acquisition	-	-	564	-	-	564
Recognised in equity regarding re-measurement of defined benefit scheme	-	-	-	21	-	21
Exchange differences	(62)	-	(15)	239	(324)	(162)
At 31 December 2022	<u>4,182</u>	<u>(15,923)</u>	<u>(2,284)</u>	<u>(2,387)</u>	<u>26,120</u>	<u>9,708</u>
Gross assets	(361)	(16,352)	(13,426)	(2,387)	-	(32,526)
Gross liabilities	<u>4,543</u>	<u>429</u>	<u>11,142</u>	<u>-</u>	<u>26,120</u>	<u>42,234</u>
Charge/(credit) to income statement	(2,778)	(26,910)	(1,617)	315	418	(30,572)
Recognised in equity regarding re-measurement of defined benefit scheme	-	-	-	8	-	8
Exchange differences	<u>257</u>	<u>(1,127)</u>	<u>452</u>	<u>101</u>	<u>(971)</u>	<u>(1,288)</u>
At 31 December 2023	<u>1,661</u>	<u>(43,960)</u>	<u>(3,449)</u>	<u>(1,963)</u>	<u>25,567</u>	<u>(22,144)</u>
Gross assets	(2,962)	(43,960)	(15,415)	(1,963)	-	(64,300)
Gross liabilities	<u>4,623</u>	<u>-</u>	<u>11,966</u>	<u>-</u>	<u>25,567</u>	<u>42,156</u>

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



28. Deferred income tax (continued)

Company

**Accelerated capital allowances
€'000**

At 1 January 2022	360
Credit to income statement	9
Exchange differences	(18)
At 31 December 2022	351
Charge to income statement	772
Exchange differences	9
At 31 December 2023	1,132

Unprovided deferred taxation

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Other short-term timing differences	306	16,889	-	-
Tax losses	45,594	99,775	-	-
Retirement benefit obligation	80	234	-	-
	<u>45,980</u>	<u>116,898</u>	<u>-</u>	<u>-</u>

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 reporting date.

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

29. Contingent liabilities

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

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

30. Financial instruments

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

	Group		Company	
	2023	2022	2023	2022
	€'000	€'000	€'000	€'000
Financial assets measured at amortised cost	240,988	224,467	238,263	317,822
Financial liabilities measured at amortised cost	(229,094)	265,745	(16,728)	13,855

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.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



30. Financial instruments (continued)

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's presentational currency is 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.

	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
2023	+20%	2,224	+20%	(3,396)	+20%	(4,671)
	-20%	(3,335)	-20%	5,094	-20%	7,007
2022	+20%	(3,611)	+20%	(3,650)	+20%	(15,296)
	-20%	5,278	-20%	4,503	-20%	(4,091)

Credit risk

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

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

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

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's money on deposit. Cash balances as at year end total €290,329,000 (2022 – €240,901,000) and interest earned on cash balances averaged 1.45% (2022 – 0.21%) 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.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



31. Fair value measurements

As at 31 December 2023 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:

- i. Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- ii. 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).
- iii. 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 2023 €'000	Level 2 2023 €'000	Level 3 2023 €'000	Total 2023 €'000
Recurring fair value measurements				
Freehold property – investment properties	-	58,370	-	58,370
Company	Level 1 2023 €'000	Level 2 2023 €'000	Level 3 2023 €'000	Total 2023 €'000
Recurring fair value measurements				
Freehold property – investment properties	-	15,755	-	15,755
Group	Level 1 2022 €'000	Level 2 2022 €'000	Level 3 2022 €'000	Total 2022 €'000
Recurring fair value measurements				
Freehold property – investment properties	-	62,576	-	62,576
Company	Level 1 2022 €'000	Level 2 2022 €'000	Level 3 2022 €'000	Total 2022 €'000
Recurring fair value measurements				
Freehold property – investment properties	-	12,464	-	12,464

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



31. Fair value measurements (continued)

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 2023 €'000	Valuation technique	Significant input
Investment properties – freehold property	58,370	Rental yields	Expected future rental income
Company	Fair value at 31 Dec 2023 €'000	Valuation technique	Significant input
Investment properties – freehold property	15,755	Rental yields	Expected future rental income
Group	Fair value at 31 Dec 2022 €'000	Valuation technique	Significant input
Investment properties – freehold property	62,576	Rental yields	Expected future rental income
Company	Fair value at 31 Dec 2022 €'000	Valuation technique	Significant input
Investment properties – freehold property	12,464	Rental yields	Expected future rental income

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



32. Related party transactions

At 31 December 2023, the directors of the Company and their close family were owed €363,000 by the Company (2022 – €376,000 owed by the Company). The maximum overdrawn balance during the year was €nil (2022 – €90,000).

During the year, the Company invoiced management charges of €7,301,000 (2022 – €7,464,000) and provided funding to Group companies with the following amounts due from / (due to) subsidiaries at the year end.

Company	Amount due from / (due to) at the year end	
	2023 €'000	2022 €'000
The ARO Group of companies	2,330	481
The Bradman Lake Group of companies	2,432	63
The Claudius Peters Group of companies	29,871	29,379
The Piller Group of companies	14	497
The Manroland Group of companies	106,639	106,769
CPVA GmbH	-	608
The Druck Chemie Group of companies	9,425	18,540
Retford Investments LLC	15,213	16,834
Langley Aviation Limited	19,144	24,756
The Marelli Group of companies	7,349	66,877
Bergen Engines Limited	35,922	41,202
Other Group companies	(5,955)	(6,354)
	<u>222,384</u>	<u>299,652</u>

During the year, Langley Aviation Limited invoiced the Company €1,497,218 (2022 – €1,776,000) in respect of the use of aircraft.

During the year, the Company received interest on loans to other Group companies of €8,845,000 (2022 – €8,463,000) and dividends from other Group companies of €13,915,000 (2022 – €25,799,000).

The Company has recorded a €9,605,000 impairment of receivables relating to amounts owed by subsidiary undertakings during the year (2022 – €nil) and reversed €nil (2022 – €nil) against previous impairments.

During the year the company recognised an impairment against investments in group companies of €24,520,000 (2022 – €nil).

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

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

33. Share capital

	2023 €'000	2022 €'000
Authorised:		
60,100,010 ordinary shares of £1 each	<u>71,227</u>	<u>71,227</u>
Allotted, issued, and fully paid:		
60,100,010 ordinary shares of £1 each	<u>71,227</u>	<u>71,227</u>

All shares rank equally for voting, dividend and capital distribution rights.

Langley Holdings plc
Notes to the accounts (continued)
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34. Merger reserve

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

35. Translation reserve

In the current period foreign currency translation deficits of €31,880,000 (2022 – €23,954,000) for the Group and €12,663,000 (2022 – €19,496,000) for the Company have been reclassified from within retained earnings to a separate translation reserve. The net currency exchange difference arising on retranslation in the year was a loss of €7,926,000 (2022 – a loss of €17,323,000) for the Group and a gain of €6,834,000 (2022 – a loss of €15,967,000) 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.

36. Cash generated from operations

Group	2023	2022
	€'000	€'000
Profit before taxation	124,875	75,727
Depreciation	23,871	23,716
Loss on sale of property, plant, and equipment	(485)	765
Amortisation of intangibles	4,482	4,452
Interest income	(4,511)	(1,467)
Revaluation of investment properties	(266)	1,330
Impairment of fixed assets	645	(454)
Interest expense	451	735
Other gains	-	(2,594)
Increase in inventories	(14,921)	(109,233)
Increase in trade and other receivables	2,512	(16,572)
Decrease in trade and other payables	(42,480)	32,693
Movement in retirement benefit obligations	(1,079)	(938)
Foreign exchange translation adjustments	(3,948)	2,767
Cash generated from operations	<u>89,146</u>	<u>10,927</u>
Company	2023	2022
	€'000	€'000
(Loss) / Profit before taxation	(3,290)	38,708
Depreciation of property, plant, and equipment	1,142	1,522
Impairment of investments	24,520	-
Revaluation of investment property	(3,036)	-
Movement in loan provision	9,605	-
Profit on sale of property, plant, and equipment	(112)	(41)
Dividend income received	(13,915)	(25,799)
Interest income	(10,550)	(8,676)
Interest expense	-	31
Increase in inventories	6	(19)
Decrease in trade and other receivables	(6,124)	37
Increase / (decrease) in trade and other payables	1,402	10,601
Foreign exchange translation adjustments	(1,745)	3,202
Cash (used in)/generated from operations	<u>(2,097)</u>	<u>19,566</u>

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



37. Leases

Leases as a lessee

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 12. Interest charges relating to lease liabilities are disclosed in note 6.

	2023 €'000	2022 €'000
Interest expense (included in finance cost)	193	244
Expenses relating to short term leases	438	577
Expenses relating to low value assets	641	529
Cash outflow for leases	<u>3,318</u>	<u>3,597</u>

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 2023 is broken down as follows:

Group	Land & Buildings €'000	Plant & Machinery €'000	Vehicles €'000	Computers €'000	Total €'000
Cost					
At 1 January 2023	25,898	460	1,384	-	27,742
Additions	2,533	-	4	-	2,537
Disposals	(1,424)	(96)	(317)	-	(1,837)
Exchange differences	(200)	61	(9)	-	(148)
At 31 December 2023	<u>26,807</u>	<u>425</u>	<u>1,062</u>	<u>-</u>	<u>28,294</u>
Depreciation					
At 1 January 2023	7,992	203	706	-	8,901
Charge for the year	2,892	57	164	-	3,113
Disposals	(1,419)	(50)	(301)	-	(1,770)
Exchange differences	(224)	6	(6)	-	(224)
At 31 December 2023	<u>9,241</u>	<u>216</u>	<u>563</u>	<u>-</u>	<u>10,020</u>
Carrying value					
At 31 December 2023	<u>17,566</u>	<u>209</u>	<u>499</u>	<u>-</u>	<u>18,274</u>
At 31 December 2022	<u>17,906</u>	<u>257</u>	<u>678</u>	<u>-</u>	<u>18,841</u>

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

	2023 €'000	2022 €'000
Due within 1 year	2,999	3,328
Due within 2-5 years	6,064	6,336
Due after more than 5 years	6,990	7,011
	<u>16,053</u>	<u>16,675</u>

Langley Holdings plc
Notes to the accounts (continued)
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38. Subsidiary undertakings

A list of wholly owned unlisted subsidiary companies at 31 December 2023 is provided below. The registered office of each subsidiary is detailed in italics.

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

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



38. Subsidiary undertakings (continued)

Company	Country of registration	Principal activity
Reader Cement Products Limited <i>Enterprise Way, Retford, Nottinghamshire, DN22 7HH</i>	England	Processing of cementitious grouts
Oakdale Homes Limited <i>Enterprise Way, Retford, Nottinghamshire, DN22 7HH</i>	England	House builders
Oakdale Properties Limited <i>Enterprise Way, Retford, Nottinghamshire, DN22 7HH</i>	England	Residential property
Claudius Peters Group GmbH <i>Schanzenstraße 40, DE-21614, Buxtehude</i>	Germany	Parent company (see below)
Piller Holding GmbH <i>Abgunst 24, 37520 Osterode</i>	Germany	Parent company (see below)
Piller Management GmbH <i>Abgunst 24, 37520 Osterode</i>	Germany	The sale and service of products for power supply
Pressure Engineering International Limited <i>Enterprise Way, Retford, Nottinghamshire, DN22 7HH</i>	England	Dormant Subsidiary
Langley Aviation Limited <i>Enterprise Way, Retford, Nottinghamshire, DN22 7HH</i>	England	Aircraft Transport
ARO Welding Technologies SAS <i>1, Avenue de Tours, BP 40161, Château du Loir, 72500 Montval-sur-Loir</i>	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 <i>48500 Structural Drive, Chesterfield Township, MI 4805</i>	USA	
Bradman Lake Group Limited <i>Common Lane North, Beccles, Suffolk, NR34 9BP</i>	England	Intermediate holding company (see below)
Bergen Engines AS <i>Hordvikneset 125, Hordvik, Norway</i>	Norway	Parent company (see below)

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



38. Subsidiary undertakings (continued)

The following companies are wholly owned unlisted subsidiaries of ARO Welding Technologies SAS, at 31 December 2023:

Company	Country of registration	Principal activity
ARO Welding Technologies AB <i>AB Timotejvägen, 7 439 71, Fjärås</i>	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 <i>43B Sur 4720 Estrella del Sur C.P. 72190 Puebla, Pue</i>	Mexico	
ARO Welding Technologies SAU <i>C/ Cuzco, 26-28, nave 2 08030 Barcelona</i>	Spain	
ARO Welding Technologies Limited <i>Unit 3, Brookside Business Park, Cold Meece, Stone, Staffordshire, ST15 0RZ</i>	England	
ARO Welding Technologies SA-NV <i>Koningin Astridlaan 61, 1780 Wemmel</i>	Belgium	
ARO Welding Technologies s.r.o <i>Karľovská 63 84104 Bratislava</i>	Slovakia	
ARO Welding Technologies GmbH <i>Senefelderstraße 4 86368 Gersthofen</i>	Germany	
ARO Welding Technologies (Wuhan) Ltd <i>M Building - West District, MinYing Industry Park, 81 CheChengNan Road, Economic & Technology Developing Zone 430056 Wuhan</i>	China	
ARO Welding Technologias Ltda <i>Rua das Figueiras 474 – 3º andar Bairro Jardim, 09080-300 – Santo André SP São Paulo</i>	Brazil	

Langley Holdings plc
Notes to the accounts (continued)
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38. Subsidiary undertakings (continued)

The following companies are wholly owned unlisted subsidiaries of The Clarke Chapman Group Limited, at 31 December 2023:

Company	Country of registration	Principal activity
Clarke Chapman Facilities Management Limited Unit 106 Golbome Enterprise Park Kid Glove Road Golbome Warrington Cheshire WA3 3GR	England	Provision of facilities management services
Clarke Chapman Aftermarket Limited Enterprise Way, Retford, Nottinghamshire, DN22 7HH	England	Dormant subsidiary
Clarke Chapman Machining Limited Enterprise Way, Retford, Nottinghamshire, DN22 7HH	England	Dormant subsidiary
Clarke Chapman Manufacturing Ltd Enterprise Way, Retford, Nottinghamshire, DN22 7HH	England	Dormant subsidiary
Mackley Pumps Limited Enterprise Way, Retford, Nottinghamshire, DN22 7HH	England	Dormant subsidiary
Cowans Sheldon Limited Enterprise Way, Retford, Nottinghamshire, DN22 7HH	England	Dormant subsidiary
Wellman Booth Limited Enterprise Way, Retford, Nottinghamshire, DN22 7HH	England	Dormant subsidiary
Stothert and Pitt Limited Enterprise Way, Retford, Nottinghamshire, DN22 7HH	England	Dormant subsidiary
Butterley Limited Enterprise Way, Retford, Nottinghamshire, DN22 7HH	England	Dormant subsidiary

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Notes to the accounts (continued)
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38. Subsidiary undertakings (continued)

The following companies are wholly owned unlisted subsidiaries of Bradman Lake Group Limited, at 31 December 2023:

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	

The following companies are wholly owned unlisted subsidiaries of Claudius Peters Group GmbH, at 31 December 2023:

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, 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 - 3º 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	

Langley Holdings plc
Notes to the accounts (continued)
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38. Subsidiary undertakings (continued)

The following companies are wholly owned unlisted subsidiaries of Claudius Peters Group GmbH, at 31 December 2023:

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

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



38. Subsidiary undertakings (continued)

Company	Country of registration	Principal activity
Cladius Peters Automation Str. Oituz Nr. 25C, et 2 550337 Sibiu	Romania	
Claudius Peters Romania 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 2023:

Company	Country of registration	Principal activity
Piller Group GmbH Abgunst 24, 37520 Osterode	Germany	Holding company

The following companies are wholly owned unlisted subsidiaries of Piller Group GmbH and its subsidiaries at 31 December 2023:

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	
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 B/I E-28036 Madrid	Spain	

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



38. Subsidiary undertakings (continued)

Company	Country of registration	Principal activity
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	
Piller Power India Pvt Ltd Unit 207, 02 nd Floor, ABW Tower, MG Road, Gurugram, Haryana-122001, India	India	
Piller Power Beijing Co. Ltd. Rm 803-2, Chaoyangmen SOHO No. 1 Nan Zhu Gan Hutong, Dongcheng District Beijing, China 100010	China	
Active Power UK Ltd. Unit 1.2, Lauriston Business Park, Pitchill, Evesham, Worcestershire WR11 8SN	England	Dormant subsidiary
Active Power Inc 2128 West Braker Lane, Austin, TX, USA		

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



38. Subsidiary undertakings (continued)

The following companies are investments held by Sheeffed Holdings Limited and its subsidiaries, at 31 December 2023:

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

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



38. Subsidiary undertakings (continued)

Company	Country of registration	Percentage ownership	Principal activity
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 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

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



38. Subsidiary undertakings (continued)

Company	Country of registration	Percentage ownership	Principal activity
Manroland Printing Equipment (Shenzhen) Ltd <i>Room 101-106, Block C, Huahan Chuangxin Park, LangShan Road, Nanshan District, Shenzhen</i>	China	100%	Note 2
Manroland Bulgaria EOOD <i>Business Park Sofia 1 Mladost 4, Blok 14. Sofia 1715.</i>	Bulgaria	100%	Note 2
Manroland Adriatic d.o.o. <i>Kovinska 4A, 10000 Zagreb</i>	Croatia	100%	Note 2
Manroland ROMANIA S.R.L <i>Str. Ziduri Intre Vii 19, Corp C, Parter, Spatiu C-5, Sector 2, Bucuresti, 023321</i>	Romania	100%	Note 2
Manroland Magyarorzag Kft. <i>Táblás u. 36-38 1097 Budapest</i>	Hungary	100%	Note 2
Manroland Polska Sp. z o.o <i>Wolica Aleja Katowicka 11 PL-05 830 Nadarzyn</i>	Poland	100%	Note 2
Manroland Czech s.r.o <i>Prumyslova 10/1428, Praha 10, 102 00</i>	Czech Republic	100%	Note 2
Manroland France S.A.S <i>Bat. M1 Les Aralias Paris Nord II 66 rue des Vanesses CS 53290 Villepinte 95958 Roissy CDG Cedex</i>	France	100%	Note 2
Manroland Ireland Ltd <i>Unit N2, North Ring Business Park, Santry, Dublin 9</i>	Ireland	100%	Note 2
Manroland Iberica Sistemas S.L <i>Centro de Negocios Eisenhower Avda. Sur Aeropuerto de Barajas, 24 – Edif. 5 – 5º C 28042 Madrid</i>	Spain	100%	Note 2
Manroland Iberica Sistemas LDA <i>Rua de Pé de Mouro Polígono Empresarial Pé de Mouro, 19 2710-335 Sintra</i>	Portugal	100%	Note 2
Manroland Italia S.R.L. <i>Via Lambretta 2 20090 Segrate (MI)</i>	Italy	100%	Note 2
Manroland Benelux N.V. <i>Koningin Astridlaan, 61 1780 Wemmel</i>	Belgium	100%	Note 2

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



38. Subsidiary undertakings (continued)

Company	Country of registration	Percentage ownership	Principal activity
Manroland Nordic Norge A/S <i>Postboks 473 N-1473 Lørenskog</i>	Norway	100%	Note 2
Manroland Southern Africa (PTY) Ltd <i>15 Manhattan Street, Airport Industria, Cape Town 7490</i>	South Africa	100%	Note 2
Manroland IP GmbH <i>Muehlheimer Strasse 341, 63075 Offenbach am Main</i>	Germany	50%	Note 4
Manroland Sheetfed (Thailand) Co. Ltd <i>22/6 Ladprao Soi 21, Jomphol, Jatujak Bangkok 10900</i>	Thailand	100%	Note 2
Manroland Nordic Danmark ApS <i>Lautruphøj 1-3 2750, Ballerup, Hovedstaden Denmark</i>	Denmark	100%	Note 2
Manroland Sheetfed Sales & Service GmbH <i>Muehlheimer Strasse 341, 63075 Offenbach am Main</i>	Germany	100%	Note 2
Manroland Uruguay S.A <i>Rincon 602. Office 601., 1100 Montevideo</i>	Uruguay	100%	Note 2
DC Druck Chemie GmbH <i>Wiesenstraße 10 D-72119 Ammerbuch-Altingen</i>	Germany	100%	Note 5
DC Green France SAS <i>(Ouest) Route du Prouau F-44980 Ste Luce Sur Loire</i>	France	100%	Note 5
DC Iberica SL Spain <i>C/ Tresols 11 bajos Apartdo de correos 109 E-08850 Gava (Barcelona)</i>	Spain	100%	Note 5
DC Druck Chemie Polska Sp.z.o.o. <i>Spichrzowa 16 62-200 Gniezno</i>	Poland	100%	Note 5
DC Druck Chemie s.r.o <i>Czech K AMP 1294 664 34 Kuřim</i>	Czech Republic	100%	Note 5
DC Druck Chemie SAS <i>(Est) Route de Bretten F-68780 Soppe le Bas</i>	France	100%	Note 5
DC Druck Chemie UK Limited <i>10th Floor, 133 Finnieston Street, Glasgow, G3 8HB</i>	Scotland	100%	Dormant
DC Druck Chemie Italia S.R.L <i>Via Tirso, 12 20098 San Giuliano Milanese (MI)</i>	Italy	100%	Note 5
DC Druck Chemie Benelux BV <i>Gerstdijk 7 NL-5704 RG Helmond</i>	Belgium	100%	Note 5
DC Druck Chemie Brazil LTDA <i>Rua Rosa Belmir Ramos 151 13.275-400 Valinhos / Sao Paulo</i>	Brazil	100%	Note 5

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



38. Subsidiary undertakings (continued)

Company	Country of registration	Percentage ownership	Principal activity
DC Druck Chemie AG <i>Schöneich CH-6265 Roggliswil</i>	Switzerland	100%	Note 5
BluePrint Products NV <i>Zwaluwbeekstraat 14, 9150 Kruibeke</i>	Belgium	100%	Note 5

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.

Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023



38. Subsidiary undertakings (continued)

The following companies are wholly owned unlisted subsidiaries of Marelli Motori SPA at 31 December 2023:

Company	Country of Registration	Percentage Ownership	Principal Activity
Marelli USA Inc <i>Norcross Parkway, Suite 290 Norcross GA 30071</i>	USA	100%	All of the companies are involved in the design, and manufacture of generators and electric motors.
Marelli Motori Asia Sdn Bhd <i>No. 7, Jalan Tajuh Satu 27/29A, Section 27, 40400 Shah Alam, Selangor Darul Ehsan - Malaysia</i>	Malaysia	100%	
Marelli Asia Pacific Sdn Bhd <i>No. 7, Jalan Tajuh Satu 27/29A, Section 27, 40400 Shah Alam, Selangor Darul Ehsan - Malaysia</i>	Malaysia	100%	
Marelli Motori South Africa (Pty) Ltd <i>48 Director Rd, Spartan, Kempton Park, Johannesburg, 1619, South Africa</i>	South Africa	100%	Dormant
Marelli Motori Central Europe GmbH <i>Heilswannenweg 50, 31008 Elze</i>	Germany	100%	
Marelli UK Ltd <i>Building 2 Enterprise Way, Retford, Nottinghamshire, England, DN22 7HH</i>	England	100%	



Langley Holdings plc
Notes to the accounts (continued)
For the year ended 31 December 2023

38. Subsidiary undertakings (continued)

The following companies are wholly owned unlisted subsidiaries of Bergen Engines AS at 31 December 2023:

Company	Country of registration	Percentage ownership	Principal activity
Bergen Engines B.V. <i>Molenvliet 19, 3335 LH Zwijndrecht, Netherlands</i>	Netherlands	100%	All of the companies are involved in the design, manufacture and sale of reciprocating gas and diesel engines.
Bergen Engines Denmark A/S <i>Nørresundby, Amalienborgvej 39, Denmark</i>	Denmark	100%	
Bergen Engines India Private Limited <i>52-b (2nd Floor), Okhla Industrial Estate, Phase III, New Delhi 110020, India</i>	India	100%	
Bergen Engines Bangladesh Private Limited <i>Green Granduer, 6th Floor, Plot n.58 E, Kamal Ataturk Avenue Banani, C/A Dhaka, 1213, Bangladesh</i>	Bangladesh	100%	
Bergen Engines Limited <i>Moor Lane, Derby, Derbyshire, DE24 8BJ</i>	England	100%	
Bergen Engines SRL <i>13 Via Castel Morrone, 16161, Genoa Italy</i>	Italy	100%	
Bergen Engines S.L. <i>Calle Dinamarca s/n (esquina Calle Alemania), Poligono Industrial de Constanti, 43120 Constanti, Tarragona, Spain</i>	Spain	100%	
Bergen Engines Mexico <i>Avenida Industria Automotriz No.8, Huimilpan Queretaro, Qro, 76974, Mexico</i>	Mexico	100%	
Bergen Engines Mexico Administration <i>Avenida Industria Automotriz No.8, Huimilpan Queretaro, Qro, 76974, Mexico</i>	Mexico	100%	
Bergen Engines Inc. <i>2128 West Braker Lane, Austin, TX, USA</i>	United States	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)
The Clarke Chapman Group Limited	(04120617)
Clarke Chapman Facilities Management Limited	(04120701)
ARO Welding Technologies Limited	(02184159)
Claudius Peters (UK) Limited	(01148578)
Druck Chemie UK Limited	(SC131877)
Bergen Engines Limited	(07680531)