

**ANDREW INDUSTRIES LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2020**

**Company Registration Number 00188896**

**PM+M Solutions for Business LLP**  
**Chartered Accountants**  
**New Century House**  
**Greenbank Technology Park**  
**Challenge Way**  
**Blackburn**  
**Lancashire**  
**BB1 5QB**



## **ANDREW INDUSTRIES LIMITED**

### **Annual report and financial statements for the year ended 31 March 2020**

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#### **COMPANY INFORMATION**

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##### **Directors**

E D Andrew (Chairman)  
M R G Andrew  
M R Bennett  
L J Blunstone  
I F L Kenyon  
K S Mitchell  
D M Neary

##### **Secretary and registered office**

L J Blunstone, Walton House, Syke Side Drive, Altham, Accrington, Lancashire, BB5 5YE

##### **Company number**

00188896

##### **Auditors**

PM+M Solutions for Business LLP, Chartered Accountants and Statutory Auditors  
New Century House, Greenbank Technology Park, Challenge Way, Blackburn, BB1 5QB

##### **Bankers**

HSBC Bank plc, 4 Hardman Square, Spinningfields, Manchester, M3 3EB

## **ANDREW INDUSTRIES LIMITED**

### **Group strategic report of the directors for the year ended 31 March 2020**

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#### **Introduction**

The following is a review of the financial performance of the business over the past twelve months, how performance is monitored and the risks facing the group.

#### **Review of the business and future development**

The principal activities of the group are the development, manufacture and sale of industrial consumable products for the business machine, white goods, automotive, medical, laundry, filtration and offshore energy industries on a global basis.

The COVID-19 outbreak across the globe has caused significant disruption to the group. The impact of COVID-19 on the subsidiaries has varied depending on where in the world they operate and which market sectors they supply.

The extent of the impact on the group's operational and financial performance will depend on the duration of the pandemic. While the disruption is currently expected to be short-term, trading conditions have improved and turnover is almost back at pre pandemic levels. The extent of the long-term financial impact and duration of the global economic recovery cannot be reasonably estimated at this time.

#### **Financial key performance indicators**

During the year group turnover increased by £7.4m to £104.9m. Of the increase £4.0m was a result of the acquisitions made in the previous year and £2.0m was an increase in turnover from the subsidiaries in the BMP Division. The favourable effect of the movement in exchange rates on the conversion of the foreign subsidiaries' sales into sterling accounted for an increase in turnover relative to the prior year of £1.3m.

Group operating profit increased from £3.6m to £5.6m. The main reasons for this were the higher gross profit resulting from the increase in sales, and the revaluation gain on the investment property.

Net cash increased by £1.6m over the year due to the cash generated from operating activities which allowed the group to further reduce its borrowings.

The borrowing facilities in place mean that the group is able to support any new opportunities that may arise in the future.

#### **Principal risks, financial instruments risk management and uncertainties**

The directors have assessed the main ongoing risks facing the group to be the instability of the worldwide economic environment, due to the global pandemic and current Brexit situation, and exchange rate volatility. The diversity of the markets in which the group operates, and its extensive geographical coverage ensures that any adverse impact related to these risks is minimised.

The group finances its operations through retained profits and bank borrowings. There is a risk that the cash in the foreign subsidiaries may not be easily transferrable to the UK though the directors have assessed the likelihood of this occurring as being extremely low.

## **ANDREW INDUSTRIES LIMITED**

### **Group strategic report of the directors for the year ended 31 March 2020 (*Continued*)**

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#### **Stakeholder Engagement**

The directors have a responsibility under s172 of the Companies Act 2006 to act in a way that promotes the group's success for the benefit of the members as a whole, and to have regard to the long-term effects of decisions on the group and its stakeholders. The following statement sets out the ways in which these responsibilities are met.

The objective of the directors is to maximise shareholder value. The directors meet several times each year to discuss and review the group's performance. Strategic decisions are based on medium and long-term objectives.

Key stakeholders, and the ways in which the group engages with them, are as follows:

##### ***Employees***

The group relies on a skilled and highly motivated workforce. Recruitment and retention of staff is important to the success of the group. The group aims to be a responsible employer not only in its approach to pay and benefits but also to providing training and career development opportunities. See also the further comments with regard to employees within the directors' report.

The safety and wellbeing of the group's employees is of paramount importance and this has been demonstrated during the COVID-19 pandemic. During the pandemic the group has complied with the requirements of each of the jurisdictions in which it operates. COVID-19 risk assessments were prepared and procedures introduced to help protect the group's employees.

##### ***Customers and Suppliers***

Focusing on the needs of customers is critical to the success of the group. This includes understanding customer needs and working with them to develop products that meet and exceed their requirements.

The group works with a wide range of suppliers both in the UK and globally. The group remains committed to being fair and transparent in its dealings with all suppliers.

##### ***Environment***

The group recognises its environmental responsibilities and is working to reduce its carbon footprint through energy usage initiatives and disposes of all waste responsibly. The group is developing products which will assist in reducing the environmental impact of our customers products.

#### **Signed by order of the directors**



L J Blunstone  
**Company Secretary**

Approved by the directors on 7 December 2020

## **ANDREW INDUSTRIES LIMITED**

### **Report of the directors for the year ended 31 March 2020**

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The directors present their report together with the audited group financial statements for the year ended 31 March 2020.

#### **Results and dividends**

The profit and loss account is set out on page 8 and shows the group profit for the year.

Dividends of £3,840 (2019 - £3,840) were paid during the year in respect of the preference shares.

An interim ordinary dividend of £467,929 was declared in March 2020 (January 2019 - £371,590) and paid in April 2020. The directors have declared a second interim dividend of £825,757 (2019 - £412,878) which will be paid in October 2020. The directors do not recommend a final dividend.

#### **Market value of land and buildings**

The directors consider that the current market value of the group's land and buildings is in excess of its book value but have not obtained valuations to quantify the excess.

#### **Charitable and political contributions**

During the year the group made charitable contributions of £2,981 (2019 - £3,789).

#### **Directors**

The directors of the company during the year were:

E D Andrew  
M R G Andrew  
M R Bennett  
L J Blunstone  
I F L Kenyon  
K S Mitchell  
D M Neary

#### **Employees**

The group gives full and fair consideration to applications for employment made by disabled persons. If employed persons become disabled, all possible assistance is given to them to continue their existing job or in an alternative position within the group. All employees, whether disabled or not, share in any available opportunities for training and progression.

The group is committed to a policy of communication and consultation with its employees. Regular meetings are held involving directors, managers and supervisory staff in order to convey relevant information concerning the business.

#### **Energy and emissions**

The parent company has low energy usage and individual subsidiary companies do not fall within the requirement to produce an energy and carbon report.

## **ANDREW INDUSTRIES LIMITED**

### **Report of the directors for the year ended 31 March 2020**

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#### **Directors' responsibilities**

The directors are responsible for preparing the group strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

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

#### **Disclosure of information to auditors**

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

- so far as the director is aware, there is no relevant audit information of which the company and the group's auditors are unaware; and
- that the director has taken all steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company and the group's auditors are aware of that information.

#### **Third party indemnity provisions for directors**

Qualifying third party indemnity provision is in place for the benefit of all the directors of the company.

#### **Auditors**

PM+M Solutions for Business LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

#### **Signed by order of the directors**



L J Blunstone  
**Company Secretary**

Approved by the directors on 7 December 2020

## **ANDREW INDUSTRIES LIMITED**

### **Independent auditor's report to the members of Andrew Industries Limited**

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#### **Opinion**

We have audited the financial statements of Andrew Industries Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprise the group statement of comprehensive income, the group balance sheet, the company balance sheet, the group statement of changes in equity, the company statement of changes in equity, the group statement 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you, where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

#### **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.

In connection with our audit of the financial statements, 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.

## **ANDREW INDUSTRIES LIMITED**

### **Independent auditor's report to the members of Andrew Industries Limited (*continued*)**

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#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of our 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 and 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, 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 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.

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



## ANDREW INDUSTRIES LIMITED

### Independent auditor's report to the members of Andrew Industries Limited (*continued*)

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#### Use of our report

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



**Nigel Wright BSc FCA (Senior Statutory Auditor)**  
**for and on behalf of PM+M Solutions for Business LLP**

Chartered Accountants  
Statutory Auditors  
New Century House  
Greenbank Technology Park  
Challenge Way  
Blackburn  
Lancashire  
BB1 5QB

**14 December 2020**

**ANDREW INDUSTRIES LIMITED****Consolidated profit and loss account for the year ended 31 March 2020**

	<b>Note</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Turnover</b>	<b>4</b>	<b>104,880</b>	97,486
Cost of sales		<u>(85,287)</u>	<u>(79,145)</u>
<b>Gross profit</b>		<b>19,593</b>	18,341
Operating expenses	<b>7</b>	<b>(14,756)</b>	(14,664)
Other operating income		<b>198</b>	286
Gain on revaluation of investment property		<b>530</b>	-
Impairment of tangible fixed assets		<u>-</u>	<u>(352)</u>
<b>Group operating profit</b>	<b>5</b>	<b>5,565</b>	3,611
Market loss on listed investments		<u>(2)</u>	<u>(4)</u>
<b>Profit on ordinary activities before interest</b>		<b>5,563</b>	3,607
Interest payable and similar charges	10	<b>(291)</b>	(325)
Interest receivable and similar income	11	<b>87</b>	160
<b>Profit on ordinary activities before taxation</b>		<b>5,359</b>	3,442
Taxation on profit on ordinary activities	<b>12</b>	<b>(1,146)</b>	(1,056)
<b>Profit for the financial year</b>		<b>4,213</b>	<b>2,386</b>

All amounts relate to continuing activities.

The notes on pages 14 to 36 form part of these financial statements.

**ANDREW INDUSTRIES LIMITED****Statements of comprehensive income for the year ended 31 March 2020**

<b>Group</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Profit for the financial year	4,213	2,386
Currency translation differences on foreign currency net investments	1,398	1,329
Exchange gain on net investment in a foreign subsidiary	-	641
Deferred tax associated with actuarial loss relating to net pension liability	(64)	64
Actuarial loss relating to net pension liability	(12)	(2,000)
<b>Total recognised gains relating to the year</b>	<b>5,535</b>	<b>2,420</b>
<b>Parent Company</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
(Loss)/profit for the financial year	(69)	1,279
Deferred tax associated with actuarial loss relating to net pension liability	(64)	64
Actuarial loss relating to net pension liability	(12)	(2,000)
<b>Total recognised losses relating to the year</b>	<b>(145)</b>	<b>(657)</b>

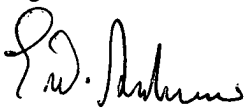
The notes on pages 14 to 36 form part of these financial statements.

**ANDREW INDUSTRIES LIMITED**
**Balance sheets at 31 March 2020**
**Company Registration No. 00188896**

		<b>Group</b>		<b>Parent Company</b>	
	<b>Note</b>	<b>2020 £'000</b>	<b>2019 £'000</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Fixed assets</b>					
Intangible assets	14	827	959	-	-
Tangible assets	15	31,163	31,849	308	311
Investments	16	-	-	17,763	19,584
		<u>31,990</u>	<u>32,808</u>	<u>18,071</u>	<u>19,895</u>
<b>Current assets</b>					
Stocks	17	18,581	18,264	-	-
Debtors	18	23,780	22,617	14,278	15,717
Deferred tax asset	24	233	145	-	64
Current asset investments	20	1,453	1,410	843	791
Cash at bank and in hand		8,589	8,160	146	245
		<u>52,636</u>	<u>50,596</u>	<u>15,267</u>	<u>16,817</u>
<b>Creditors: amounts falling due within one year</b>	21	<u>(21,742)</u>	<u>(24,265)</u>	<u>(10,953)</u>	<u>(12,265)</u>
<b>Net current assets</b>		<u>30,894</u>	<u>26,331</u>	<u>4,314</u>	<u>4,552</u>
<b>Total assets less current liabilities</b>		<u>62,884</u>	<u>59,139</u>	<u>22,385</u>	<u>24,447</u>
<b>Creditors: amounts falling due after more than one year</b>	22	<u>(1,350)</u>	<u>(1,950)</u>	<u>(1,350)</u>	<u>(1,950)</u>
<b>Provision for liabilities</b>	24	<u>(2,462)</u>	<u>(2,388)</u>	<u>(937)</u>	<u>(990)</u>
		<u>(3,812)</u>	<u>(4,338)</u>	<u>(2,287)</u>	<u>(2,940)</u>
<b>Net assets excluding pension liabilities</b>		<u>59,072</u>	<u>54,801</u>	<u>20,098</u>	<u>21,507</u>
<b>Pension liabilities</b>	26	<u>-</u>	<u>(379)</u>	<u>-</u>	<u>(379)</u>
<b>Net assets including pension liabilities</b>		<u>59,072</u>	<u>54,422</u>	<u>20,098</u>	<u>21,128</u>
<b>Capital and reserves</b>					
Called up share capital	25	2,972	2,972	2,972	2,972
Share premium account		339	339	339	339
Capital redemption reserve		646	646	646	646
Profit and loss account		55,115	50,465	16,141	17,171
<b>Equity shareholders' funds</b>		<u>59,072</u>	<u>54,422</u>	<u>20,098</u>	<u>21,128</u>

The parent company's result for the year is disclosed in note 13 to the financial statements.

The financial statements were approved by the directors and authorised for issue on 7 December 2020 and are signed on their behalf by:



E D Andrew  
Directors



L J Blunstone

The notes on pages 14 to 36 form part of these financial statements.

**ANDREW INDUSTRIES LIMITED**

**Consolidated statement of changes in equity for the year ended 31 March 2020**

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 April 2018	2,972	339	646	48,489	52,446
Profit for the year	-	-	-	2,386	2,386
Other comprehensive income for the year (see page 9)	-	-	-	34	34
<b>Total comprehensive income for the year</b>	-	-	-	<b>2,420</b>	<b>2,420</b>
Dividends declared	-	-	-	(444)	(444)
<b>At 31 March 2019</b>	<b>2,972</b>	<b>339</b>	<b>646</b>	<b>50,465</b>	<b>54,422</b>
Profit for the year	-	-	-	4,213	4,213
Other comprehensive income for the year (see page 9)	-	-	-	1,322	1,322
<b>Total comprehensive income for the year</b>	-	-	-	<b>5,535</b>	<b>5,535</b>
Dividends declared	-	-	-	(885)	(885)
<b>At 31 March 2020</b>	<b>2,972</b>	<b>339</b>	<b>646</b>	<b>55,115</b>	<b>59,072</b>

Included within group retained earnings are non-distributable reserves amounting to £6,223,000 (2019 - £5,658,000).

The notes on pages 14 to 36 form part of these financial statements.

**ANDREW INDUSTRIES LIMITED**

**Parent company statement of changes in equity for the year ended 31 March 2020**

	Share capital £'000	Share premium £'000	Other reserves £'000	Retained earnings £'000	Total equity £'000
At 1 April 2018	2,972	339	646	18,272	22,229
Profit for the year	-	-	-	1,279	1,279
Other comprehensive income for the year (see page 9)	-	-	-	(1,936)	(1,936)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(657)</b>	<b>(657)</b>
Dividends declared	-	-	-	(444)	(444)
<b>At 31 March 2019</b>	<b>2,972</b>	<b>339</b>	<b>646</b>	<b>17,171</b>	<b>21,128</b>
Loss for the year	-	-	-	(69)	(69)
Other comprehensive income for the year (see page 9)	-	-	-	(76)	(76)
<b>Total comprehensive income for the year</b>	-	-	-	<b>(145)</b>	<b>(145)</b>
Dividends declared	-	-	-	(885)	(885)
<b>At 31 March 2020</b>	<b>2,972</b>	<b>339</b>	<b>646</b>	<b>16,141</b>	<b>20,098</b>

The notes on pages 14 to 36 form part of these financial statements.

**ANDREW INDUSTRIES LIMITED**

**Consolidated cash flow statement for the year ended 31 March 2020**

	<b>Note</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
<b>Net cash generated from operating activities</b>	<b>28</b>	<b>5,507</b>	<b>6,067</b>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(2,816)	(5,112)
Sale of tangible fixed assets		460	165
Purchase of current asset investments		(15)	(44)
Purchase of business		-	(76)
Purchase of subsidiary undertaking		(73)	(525)
Net cash acquired with subsidiary undertaking		-	693
Sale of associated undertaking		-	1,213
Interest received		87	161
<b>Net cash from investing activities</b>		<b>(2,357)</b>	<b>(3,525)</b>
<b>Cash flows from financing activities</b>			
Bank loans advanced		-	3,000
Bank loans repaid		(600)	(450)
Shareholder loan		119	1,184
Finance lease repayments		(8)	(15)
Interest paid		(306)	(337)
Dividends paid		(788)	(272)
<b>Net cash used in financing activities</b>		<b>(1,583)</b>	<b>3,110</b>
<b>Net increase in cash and cash equivalents</b>		<b>1,567</b>	<b>5,652</b>
Foreign exchange translation adjustment		106	(104)
Cash and cash equivalents at beginning of year		5,641	93
<b>Cash and cash equivalents at the end of year</b>		<b>7,314</b>	<b>5,641</b>
<b>Cash and cash equivalents at the end of year comprise:</b>			
Cash at bank and in hand		8,589	8,160
Bank overdrafts		(1,275)	(2,519)
		<b>7,314</b>	<b>5,641</b>

The notes on pages 14 to 36 form part of these financial statements.

## ANDREW INDUSTRIES LIMITED

### Notes forming part of the financial statements for the year ended 31 March 2020

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#### 1 Company information

The company is a private company limited by shares and is registered at Companies House in England and Wales. The company's registered number and registered office address is noted under the company information on the contents page.

#### 2 Accounting policies

##### ***Basis of preparation***

The group and company financial statements have been prepared in accordance with Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006. These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the recognition of investment properties and certain financial assets measured at fair value.

The financial statements are prepared in sterling which is the functional currency of the group and company. Monetary amounts in the financial statements are round to the nearest £'000.

The company is a qualifying entity for the purposes of FRS 102, being a member of a group where consolidated financial statements are prepared, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

##### ***Basis of consolidation***

The group financial statements consolidate the financial statements of the parent company and all of its subsidiary undertakings. Results of subsidiary undertakings and businesses acquired during the financial year are included from the effective date of control and those undertakings disposed of up to the effective date of disposal. For this purpose, the consideration paid for and the separable net assets of newly acquired businesses are incorporated into the financial statements on the basis of the fair value to the group as at the effective date of control.

All inter-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

##### ***Going concern***

The directors have prepared forecasts and have concluded that it is appropriate to continue to adopt the going concern basis in the preparation of the financial statements.

##### ***Turnover***

Turnover represents the amount receivable during the year from continuing activities, net of discounts, value added tax and other local sales taxes, for goods supplied and services rendered to customers in the normal course of business.

Turnover from the sale of goods is recognised when the significant risks and rewards of ownership of the goods has transferred to the buyer. Turnover from the rendering of services is recognised once all services have been provided.



**2 Accounting policies (*continued*)**

***Exchange rates***

Foreign currency monetary assets and liabilities are translated to sterling at the exchange rates ruling at 31 March. Results for the year of overseas subsidiary undertakings are translated to sterling using average exchange rates for the period.

Exchange differences arising from the retranslation of the opening net investment in overseas undertakings and the retranslation of results from average to closing rates of exchange, are disclosed as movements on reserves together with exchange adjustments relating to borrowings which have been used to finance or provide a hedge against foreign equity investments.

All other adjustments due to currency fluctuations arising in the normal course of trade are taken to the profit and loss account. However, in the consolidated financial statements exchange differences arising on monetary items that form part of the net investment in an overseas subsidiary undertaking are recognised in other comprehensive income and are not included in the profit and loss account.

***Intangible fixed assets - goodwill***

Goodwill represents the excess of the consideration over that fair value of net assets acquired of a business. It is initially recognised at cost as an intangible fixed asset and subsequently measured at cost less accumulated amortisation. Goodwill is considered to have a finite life and is amortised on a straight-line basis over its estimated useful economic life being 3 to 10 years.

Negative goodwill is similarly included in the balance sheet and is released to the profit and loss account in the period in which the non-monetary assets are recovered through depreciation or sale.

***Intangible fixed assets – other than goodwill***

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and any accumulated impairment losses. Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date of the fair value can be measured reliably.

Amortisation is charged so as to allocate the cost of intangibles less their residual values over their estimated useful lives, as follows:

Trademarks	- 10 years straight line
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***Tangible fixed assets***

Tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the cost or valuation, less the estimated residual value, of each asset on a systematic basis over its expected useful economic life, as follows:

Freehold buildings	- over 20 to 50 years straight line
Leasehold land and buildings	- over the lease term straight line
Plant and machinery	- over 3 to 10 years straight line
Motor vehicles	- over 3 to 5 years straight line.

Assets under construction are not depreciated until complete and brought in to use.

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to the profit or loss.

**2 Accounting policies (continued)**

***Impairment of assets***

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If the estimated recoverable amount is lower, the carrying amount is reduced to the estimated recoverable amount, and the difference is recognised immediately as an impairment loss in profit or loss.

***Investment property***

Investment property is carried at fair value determined annually by the directors having reference to periodic external valuations and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary, for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the profit and loss account.

***Fixed asset investments***

Investments in subsidiary undertakings comprise share interests and long-term loans and are stated at cost less any provision for impairment in value. Foreign equity investments for which the exchange risk is hedged by specific foreign currency loans are treated as foreign monetary assets and are retranslated at the year end rates of exchange.

The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit or loss.

***Stocks***

Raw material stocks are stated at the lower of cost, using the first in first out method, and net realisable value, being the estimated selling price less costs to complete and sell. Work in progress and finished stocks are stated at cost of direct materials and labour plus attributable overheads based on normal levels of activity at individual manufacturing units.

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

***Debtors***

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

***Cash and cash equivalents***

Cash and cash equivalents are basic financial instruments and are represented by cash in hand, deposits held with financial institutions repayable without penalty on notice of not more than 24 hours, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Cash equivalents are highly liquid investments that mature in no more than three months from the date of purchase and that are readily convertible to known amounts of cash with insignificant risk of change in value.

***Valuation of investments***

Investments in listed company shares are re-measured to market value at each balance sheet date with all gains and losses on re-measurement recognised in the profit and loss account.

## ANDREW INDUSTRIES LIMITED

### Notes forming part of the financial statements for the year ended 31 March 2020 *(Continued)*

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#### 2 Accounting policies *(continued)*

##### ***Creditors***

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### ***Provisions for liabilities***

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

Provisions are charged as an expense to the profit and loss account in the year that the group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

##### ***Leases***

Assets obtained under hire purchase contracts and leases which result in the transfer to the company of substantially all the risks and rewards of ownership (finance leases) are capitalised as tangible fixed assets at the estimated present value of underlying lease payments and are depreciated in accordance with the above policy. Obligations under such agreements are included in creditors net of finance charges allocated to future periods. The finance element of the rental payments is charged to the profit and loss account over the term of the lease or hire purchase contract so as to produce a constant rate of charge on the outstanding balance of the net obligation in each period.

All other leases are classified as operating leases. Rentals receivable under operating leases are recognised in the profit and loss account on a straight-line basis over the lease term. Rentals paid under operating leases are charged against income on a straight-line basis over the lease term.

##### ***Research and development***

Research and development expenditure is written off to the profit and loss account in the year in which it is incurred.

##### ***Taxation***

Tax is recognised in the profit and loss account, except that a change attributable to an item of income and expense recognised as other comprehensive income is also recognised in other comprehensive income.

Current tax is recognised for the amount of income tax payable in respect of the taxable profit for the current or past reporting periods using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax is calculated using the tax rates and laws that have been enacted or substantively enacted at the balance sheet date that are expected to apply to the reversal of the timing difference.

Deferred tax liabilities are presented within provisions for liabilities and deferred tax assets within debtors.

**2 Accounting policies (continued)**

Deferred tax assets and deferred tax liabilities are offset only if:

- the group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously.

***Pension costs***

The expected cost of pensions in respect of the group's defined benefit pension scheme is charged to the profit and loss account on a systematic basis over the service lives of employees in the scheme. The cost is charged in accordance with the recommendations of qualified actuaries. Variations to pension costs caused by differences between the assumptions used and actual experience are spread over the average remaining working lives of the current employees at each actuarial valuation date.

A charge equal to the increase in the present value of the scheme liabilities (because the benefits are closer to settlement) and a credit equivalent to the group's long term expected return on assets (based on the market value of the scheme assets at the start of the period) are included in the profit and loss account under "Other finance income or charge".

The difference between the market value of the assets of the scheme and the present value of accrued pension liabilities is shown as an asset or liability on the balance sheet. An asset is only recognised to the extent that the surplus can be recovered through reduced contributions in the future or through refunds from the scheme. Any difference between the expected return on assets and that actually achieved is recognised in the statement of comprehensive income along with differences which arise from experience or assumption changes.

Gains and losses on settlements and curtailments are included within the profit and loss account in the year in which they arise.

Pension contributions made by the group to defined contribution pension schemes are charged to the profit and loss account as they fall due for payment.

***Employee benefits***

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

A liability is recognised for annual leave accrued by employees as a result of services rendered in the current period, and which the employees are entitled to carry forward and use within the next 12 months. The accrual is measured at the undiscounted salary cost payable for the period of absence.

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

***Executive capital trusts ("ECTs")***

The assets, liabilities, income and expenditure of the ECTs to which the group contributes are included within the group's consolidated financial statements, in accordance with the requirements of section 9 of FRS 102. The assets and liabilities of the UK ECT are also included within the parent company's financial statements.

**2 Accounting policies *(continued)***

***Financial instruments***

The group uses forward foreign currency contracts to reduce exposure to foreign exchange rates.

Derivative financial instruments are initially recognised at fair value on the date on a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in the profit and loss account.

***Finance costs***

Finance costs are charged to the profit and loss account over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount.

***Interest income***

Interest income is recognised in the profit and loss account as interest accrues using the effective interest method.

Dividend income is recognised in the profit and loss account when the right to receive a payment is established.

***Equity dividends payable***

The company and group accounts for dividends in the accounting period in which they are approved and consequently if the company and group declares dividends to the holders of equity shares after the balance sheet date, it does not recognise those dividends as a liability at the balance sheet date.

**3 Critical accounting judgements and estimation uncertainty**

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

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

Management has made the following judgements that have a significant effect on the amounts recognised in the financial statements.

**(a) Impairment of assets**

The group tests annually whether financial assets and non-financial assets have suffered any impairment. The assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is determined based on the higher of its value-in-use and net realisable value, both of which require the use of assumptions and estimates.

**(b) Revaluation of investment properties**

The group carries its investment properties at fair value, with changes in fair value being recognised in profit or loss. The group periodically engages independent valuation specialists to help determine fair value. Such assessments take into account a number of uncertainties including the likelihood of planning permission and market demand.

**(c) Taxation**

Management estimation is required to determine the amount of deferred tax assets that can be recognised, based upon likely timing and level of future taxable profits.

**(d) Provisions**

Provision is made for warranties in respect of certain sales. The provision requires management's best estimate of the costs that will be incurred based on contractual requirements and an estimate of the probability of a claim arising.

**(e) Defined benefit pension scheme**

The cost of the group's defined benefit pension scheme is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, inflation rates, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long-term nature of the plan, such estimates are subject to significant uncertainty.

**(f) Goodwill amortisation**

Goodwill is assessed on a case by case basis and amortised over a period of 3 to 10 years. Management estimation is required to determine the useful economic life of goodwill.

**ANDREW INDUSTRIES LIMITED****Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)****4 Turnover**

In the opinion of the directors it would be seriously prejudicial to the company's interests to disclose the geographical markets of turnover. Turnover, analysed by category, was as follows:

	2020 £'000	2019 £'000
Sale of goods	104,389	97,025
Rendering of services	491	461
	<u>104,880</u>	<u>97,486</u>

**5 Operating profit**

2020 £'000	2019 £'000
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Operating profit is stated after charging/(crediting):

Amortisation of intangible assets	164	140
Depreciation: owned fixed assets	4,419	3,928
Depreciation: assets under finance leases	5	5
(Profit)/loss on sale of tangible fixed assets	(219)	14
Impairment of tangible fixed assets	-	352
Impairment of trade debtors	268	66
Impairment of stock	801	276
Research and development	1,369	1,285
Operating lease rentals:		
- plant and machinery	70	58
- land and buildings	1,241	1,153
Exchange gains	(480)	(826)
	<u></u>	<u></u>

**6 Auditors' remuneration**

2020 £'000	2019 £'000
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Auditor's remuneration payable to the company's auditor:

- audit of the company's annual financial statements	41	44
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Fees payable to the company's auditor

for other services:

- audit of the company's subsidiaries pursuant to legislation	45	47
- all other services	-	-
	<u></u>	<u></u>

**ANDREW INDUSTRIES LIMITED****Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)****7 Operating expenses**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Operating expenses are made up as follows:		
Selling and distribution costs	<b>5,501</b>	5,327
Administrative expenses	<b>9,255</b>	9,337
	<u><b>14,756</b></u>	<u>14,664</u>

**8 Employees**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Staff costs for continuing operations (including directors) consist of:		
Wages, salaries and bonuses	<b>18,732</b>	18,165
Social security costs	<b>1,938</b>	1,943
Other pension costs	<b>986</b>	887
	<u><b>21,656</b></u>	<u>20,995</u>

The average number of employees (including directors) during the year was as follows:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Production	<b>756</b>	790
Sales and administration	<b>143</b>	141
	<u><b>899</b></u>	<u>931</u>

**9 Directors and executive management**

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Aggregate emoluments for all directors (excluding pension contributions)	<b>953</b>	1,152
Aggregate pension contributions to money purchase schemes	<b>59</b>	29

The number of directors during the year to whom retirement benefits are accruing is as follows:

	<b>£'000</b>	<b>£'000</b>
Under money purchase schemes	<u><b>5</b></u>	<u>4</u>

*Highest paid director*

	<b>£'000</b>	<b>£'000</b>
Emoluments	<b>242</b>	444
Contributions to money purchase schemes	<u>-</u>	<u>-</u>



**ANDREW INDUSTRIES LIMITED**

**Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)**

<b>10</b>	<b>Interest payable and similar charges</b>			<b>2020</b>	<b>2019</b>
				<b>£'000</b>	<b>£'000</b>
	On bank borrowings			249	299
	On finance leases			4	1
	On other borrowings			38	25
				<u>291</u>	<u>325</u>
<b>11</b>	<b>Interest receivable and similar income</b>			<b>2020</b>	<b>2019</b>
				<b>£'000</b>	<b>£'000</b>
	Bank interest			50	128
	Other interest			37	32
				<u>87</u>	<u>160</u>
<b>12</b>	<b>Taxation on profit from ordinary activities</b>	<b>2020</b>		<b>2019</b>	
		<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	Taxation based on profit for the year				
	<i>United Kingdom:</i>				
	Current tax		155		74
	Adjustment in respect of prior year		(126)		100
	Total United Kingdom current tax		29		174
	<i>Overseas:</i>				
	Current tax	990		841	
	Adjustment in respect of prior year	-	990	-	841
	Current tax charge		1,019		1,015
	<i>Deferred tax:</i>				
	Origination and reversal of timing differences	98		20	
	Other differences re pension liabilities	-	98	-	20
	<i>Other tax:</i>				
	Withholding tax on overseas income		29		21
	<b>Taxation on profit from ordinary activities</b>		<b>1,146</b>		<b>1,056</b>

# ANDREW INDUSTRIES LIMITED

## Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)

### 12 Taxation on profit from ordinary activities (Continued)

The resultant overall rate of tax differs from the standard rate of corporation tax in the UK. The differences are explained below:

	2020 £'000	2019 £'000
<b>Profit on ordinary activities before taxation</b>	<b>5,359</b>	<b>3,442</b>
Profit on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019 - 19%)	<b>1,018</b>	654
Effects of:		
Tax free credits net of expenses not deductible	(193)	(725)
Different rates to the UK standard rate	(197)	(319)
Adjustment in respect of previous years	(126)	100
Utilisation of tax losses	-	(9)
Impact on deferred tax due to change in standard rates	7	(8)
Recognition of deferred tax assets previously unprovided	(62)	27
Unprovided deferred tax	<b>670</b>	1,300
Withholding tax on overseas income	<b>29</b>	21
Overseas capital gains tax paid	-	15
<b>Tax charge for the year</b>	<b>1,146</b>	<b>1,056</b>

### 13 Parent company's profit and loss account

Under the provision of Section 408 Companies Act 2006, the profit and loss account of the parent company is not presented. The loss after taxation for the financial year dealt with in that account is £69,000 (2019 – profit £1,279,000) including intra-group dividends receivable, net of underlying tax, of £2,072,000 (2019 - £1,727,000).

### 14 Intangible assets - Group

	Negative goodwill £'000	Positive goodwill £'000	Trademarks £'000	Total £'000
<i>Cost</i>				
At 1 April 2019	(603)	2,387	15	1,799
Exchange difference	-	57	1	58
<b>At 31 March 2020</b>	<b>(603)</b>	<b>2,444</b>	<b>16</b>	<b>1,857</b>
<i>Amortisation</i>				
At 1 April 2019	(603)	1,439	4	840
Charge for the year	-	162	2	164
Exchange difference	-	26	-	26
<b>At 31 March 2020</b>	<b>(603)</b>	<b>1,627</b>	<b>6</b>	<b>1,030</b>
<i>Net book value</i>				
<b>At 31 March 2020</b>	<b>-</b>	<b>817</b>	<b>10</b>	<b>827</b>
At 31 March 2019	-	948	11	959

The Company does not have any intangible assets.

**ANDREW INDUSTRIES LIMITED**

Notes forming part of the financial statements for the year ended 31 March 2020 (*Continued*)

**15 Tangible assets**

<b>Summary - Company</b>	<b>Freehold land and buildings £'000</b>	<b>Plant, equipment and motor vehicles £'000</b>	<b>Total £'000</b>
<i>Cost</i>			
At 1 April 2019	584	339	923
Additions	-	21	21
Disposals	-	(84)	(84)
<b>At 31 March 2020</b>	<b>584</b>	<b>276</b>	<b>860</b>
<i>Depreciation</i>			
At 1 April 2019	299	313	612
Charge for year	11	13	24
Disposals	-	(84)	(84)
<b>At 31 March 2020</b>	<b>310</b>	<b>242</b>	<b>552</b>
<i>Net book value</i>			
<b>At 31 March 2020</b>	<b>274</b>	<b>34</b>	<b>308</b>
At 31 March 2019	285	26	311

Freehold land and buildings include an amount of £50,000 (2019 - £50,000) in respect of land which is not depreciated.

**ANDREW INDUSTRIES LIMITED**

Notes forming part of the financial statements for the year ended 31 March 2020 (*Continued*)

**15 Tangible assets (*continued*)**

<b>Summary - Group</b>	<b>Investment property £'000</b>	<b>Land and buildings £'000</b>	<b>Plant, equipment and motor vehicles £'000</b>	<b>Total £'000</b>
<i>Cost or valuation</i>				
At 1 April 2019	5,500	12,064	49,437	67,001
Additions	-	748	2,067	2,815
Revaluation	530	-	-	530
Disposals	-	(343)	(882)	(1,225)
Exchange differences	-	385	1,388	1,773
<b>At 31 March 2020</b>	<b>6,030</b>	<b>12,854</b>	<b>52,010</b>	<b>70,894</b>
<i>Depreciation</i>				
At 1 April 2019	-	5,277	29,875	35,152
Charge for the year	-	321	4,103	4,424
Disposals	-	(163)	(821)	(984)
Exchange differences	-	142	997	1,139
<b>At 31 March 2020</b>	<b>-</b>	<b>5,577</b>	<b>34,154</b>	<b>39,731</b>
<i>Net book value</i>				
Owned assets	6,030	6,812	17,856	30,698
Leased assets	-	465	-	465
<b>At 31 March 2020</b>	<b>6,030</b>	<b>7,277</b>	<b>17,856</b>	<b>31,163</b>
Owned assets	5,500	6,350	19,531	31,381
Leased assets	-	437	31	468
<b>At 31 March 2019</b>	<b>5,500</b>	<b>6,787</b>	<b>19,562</b>	<b>31,849</b>

If the Investment property was stated on an historical cost basis rather than a fair value basis, the total cost included would have been £25,000 (2019 - £25,000).

<b>Analysis of land and buildings</b>	<b>Group</b>	
	<b>2020 £'000</b>	<b>2019 £'000</b>
<i>Net book value</i>		
Freehold	6,812	6,350
Short leasehold	465	437
	<b>7,277</b>	<b>6,787</b>
Freehold investment property	6,030	5,500
	<b>13,307</b>	<b>12,287</b>

The following amounts in land and buildings are not subject to depreciation:

Land	<b>475</b>	<b>386</b>
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<b>Capital commitments</b>	<b>Group</b>		<b>Parent Company</b>	
	<b>2020 £'000</b>	<b>2019 £'000</b>	<b>2020 £'000</b>	<b>2019 £'000</b>
Capital investment contracted for but not provided	<b>144</b>	<b>191</b>	<b>-</b>	<b>-</b>

# ANDREW INDUSTRIES LIMITED

## Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)

### 16 Investments - Parent Company

<i>Investments</i>	<b>Group undertakings</b>		<b>Total £'000</b>
	<b>Shares £'000</b>	<b>Loans £'000</b>	
<i>Cost</i>			
At 1 April 2019	27,339	9,699	37,038
Additions	759	-	759
Capitalisation	9,699	(9,699)	-
Disposals	(4,483)	-	(4,483)
<b>At 31 March 2020</b>	<b>33,314</b>	<b>-</b>	<b>33,314</b>
<i>Provision for impairment in value</i>			
At 1 April 2019	17,454	-	17,454
Disposals	(4,483)	-	(4,483)
Charge in year	2,580	-	2,580
<b>At 31 March 2020</b>	<b>15,551</b>	<b>-</b>	<b>15,551</b>
<i>Net book value</i>			
<b>At 31 March 2020</b>	<b>17,763</b>	<b>-</b>	<b>17,763</b>
At 31 March 2019	9,885	9,699	19,584

The group holds 100% of the share capital of the following subsidiary undertakings, all of which are included within the consolidation:

	<b>Country of registration or incorporation</b>	<b>Class of shares held</b>
<b><i>Industrial materials manufacturers</i></b>		
Bondex, Inc.	USA	Common
Andrew Industries Development Company Limited	China	Ordinary
<b><i>Business machine part manufacturers and distributors</i></b>		
BMP Europe Limited	England and Wales	Ordinary
PPC Solutions Limited	England and Wales	Ordinary
RB Medical Engineering Limited	England and Wales	Ordinary
BMP America, Inc.	USA	Common
BMP Asia Industries (Shenzhen) Company Limited	China	Ordinary
BMP Technologies Malaysia Sdn Bhd	Malaysia	Ordinary
BMP Technologies Mexico, SA de CV	Mexico	Common
<b><i>Laundry machine part manufacturers</i></b>		
Sevenside Fabrics Limited	England and Wales	Ordinary
American Laundry Products, Inc.	USA	Common
China Laundry Products Limited	China	Ordinary
<b><i>Investment property company</i></b>		
Andrew Textile Industries Limited	England and Wales	Ordinary
<b><i>Non-trading companies</i></b>		
Humber Europe Limited	England and Wales	Ordinary
PTC Products Limited	England and Wales	Ordinary
Techline Products Limited	England and Wales	Ordinary
European Laundry Products SARL	France	Ordinary
Andrew Industries (India) Private Limited	India	Ordinary

The investments in the subsidiary undertakings are held by the parent company, except for PPC Solutions Limited, PTC Products Limited, Techline Products Limited, RB Medical Engineering Limited and BMP Technologies Mexico, SA de CV which are held by subsidiary undertakings.

# ANDREW INDUSTRIES LIMITED

## Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)

17 Stocks	Group		Parent Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Raw materials	10,933	10,284	-	-
Work in progress	1,301	1,030	-	-
Finished goods held for resale	6,347	6,950	-	-
	<u>18,581</u>	<u>18,264</u>	<u>-</u>	<u>-</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.

18 Debtors	Group		Parent Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Due within one year</b>				
Trade debtors	19,710	19,225	-	-
Amounts owed by subsidiary undertakings	-	-	14,107	15,626
Other debtors	2,106	1,812	82	47
Prepayments and accrued income	1,691	1,360	89	44
Corporate tax refundable	273	220	-	-
	<u>23,780</u>	<u>22,617</u>	<u>14,278</u>	<u>15,717</u>
Long term debtors included above	<u>517</u>	<u>423</u>	<u>-</u>	<u>-</u>

19 Cash and borrowings	Group		Parent Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
<b>Debt</b>				
Bank overdrafts	1,275	2,519	1,275	2,492
Bank loans due within one year	6,600	6,600	6,600	6,600
Bank loans due over one year	1,350	1,950	1,350	1,950
Other loan	1,303	1,184	1,303	1,184
<b>Debt, excluding finance leases</b>	<b>10,528</b>	<b>12,253</b>	<b>10,528</b>	<b>12,226</b>
Finance leases	-	8	-	-
Cash balances	(8,589)	(8,160)	(146)	(245)
Shares in listed investments (see note 20)	(5)	(6)	-	-
<b>Net debt</b>	<b><u>1,934</u></b>	<b><u>4,095</u></b>	<b><u>10,382</u></b>	<b><u>11,981</u></b>

The group and parent company borrowings are secured by fixed and floating charges over the assets of group companies together with cross guarantees between certain companies within the group.

Interest is charged at normal commercial rates on terms ranging from 1.4% to 2.5% per annum over LIBOR or bank base rate.

**ANDREW INDUSTRIES LIMITED**

**Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)**

<b>20 Current asset Investments</b>	<b>Group</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Executive Capital Trust (see note 30)	<b>1,448</b>	1,404	<b>843</b>	791
Shares in listed investments	<b>5</b>	6	-	-
	<b><u>1,453</u></b>	<b><u>1,410</u></b>	<b><u>843</u></b>	<b><u>791</u></b>

<b>21 Creditors: amounts falling due within one year</b>	<b>Group</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans (secured - see note 19)	<b>6,600</b>	6,600	<b>6,600</b>	6,600
Bank overdrafts	<b>1,275</b>	2,519	<b>1,275</b>	2,492
Amounts owed to subsidiary undertakings	-	-	<b>439</b>	1,053
Trade creditors	<b>7,986</b>	9,316	<b>92</b>	72
Taxation and social security	<b>1,196</b>	1,294	<b>533</b>	264
Dividends declared and not paid	<b>468</b>	372	<b>468</b>	372
Obligations under finance leases	-	8	-	-
Other creditors	<b>770</b>	1,001	<b>49</b>	47
Other loan	<b>1,303</b>	1,184	<b>1,303</b>	1,184
Accruals and deferred income	<b>2,144</b>	1,971	<b>194</b>	181
	<b><u>21,742</u></b>	<b><u>24,265</u></b>	<b><u>10,953</u></b>	<b><u>12,265</u></b>
Corporate taxation payable included above	<b><u>314</u></b>	<u>233</u>	<b><u>465</u></b>	<u>140</u>

<b>22 Creditors: amounts falling due after more than one year</b>	<b>Group</b>		<b>Parent Company</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Bank loans (secured - see note 19)	<b>1,350</b>	1,950	<b>1,350</b>	1,950
	<b><u>1,350</u></b>	<b><u>1,950</u></b>	<b><u>1,350</u></b>	<b><u>1,950</u></b>

**ANDREW INDUSTRIES LIMITED**

**Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)**

23 Financial instruments	Group		Parent Company	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Financial assets at fair value through profit or loss:				
<i>Shares in listed investments</i>	5	6	-	-
Financial assets that are debt instruments measured at amortised cost:				
<i>Trade and other debtors</i>	21,816	21,037	14,189	15,673
Financial liabilities measured at amortised cost:				
<i>Bank overdrafts and loans</i>	(9,225)	(11,069)	(9,225)	(11,042)
<i>Obligations under finance leases</i>	-	(8)	-	-
<i>Trade and other creditors</i>	(10,900)	(12,288)	(774)	(1,354)
	<u>(20,125)</u>	<u>(23,365)</u>	<u>(9,999)</u>	<u>(12,396)</u>
24 Provision for liabilities	Executive Capital Trust £'000	Warranty Provision £'000	Deferred Taxation £'000	Total £'000
<b>Group</b>				
At 1 April 2019	2,045	254	89	2,388
Charged/(credited) to profit and loss account	67	(75)	247	239
Utilised	(210)	-	-	(210)
Exchange differences	45	-	-	45
	<u>1,947</u>	<u>179</u>	<u>336</u>	<u>2,462</u>
<b>At 31 March 2020</b>				
				<u>Executive Capital Trust £'000</u>
<b>Parent Company</b>				
At 1 April 2019				990
Charged to profit and loss account				53
Utilised				(106)
				<u>937</u>
<b>At 31 March 2020</b>				
Deferred taxation analysis	Unprovided		Provided	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Accelerated (capital allowances) / depreciation	207	712	(870)	(508)
Other short-term timing differences	236	292	461	278
Unutilised taxation losses	3,487	3,794	306	286
	<u>3,930</u>	<u>4,798</u>	<u>(103)</u>	<u>56</u>
Deferred tax asset/(liability)				



**ANDREW INDUSTRIES LIMITED****Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)****24 Provision for liabilities (continued)**

The deferred tax included in the consolidated balance sheet is as follows:

	2020 £'000	2019 £'000
Included in current assets	233	145
Included in provisions for liabilities (note 24)	(336)	(89)
	<u>(103)</u>	<u>56</u>

Full utilisation of the losses referred to above may be restricted by the legislation in the countries in which the group operates.

*Executive Capital Trust*

A provision has been incorporated within the financial statements in respect of the constructive obligation to distribute the assets of the trusts, which are included within the balance sheets, to participating employees.

*Warranty Provision*

Provision has been made for warranties issued in respect of certain product sales.

**25 Share capital**

	2020 £'000	2019 £'000
<b>Authorised</b>		
5,000,000 Ordinary shares of £1 each	5,000	5,000
1,000,000 Preference shares of £1 each	1,000	1,000
	<u>6,000</u>	<u>6,000</u>
<b>Allotted, called up and fully paid</b>		
2,752,522 (2019 – 2,752,522) Ordinary shares of £1 each	2,753	2,753
219,469 (2019 – 219,469) Preference shares of £1 each	219	219
	<u>2,972</u>	<u>2,972</u>

The preference shares are non-redeemable and carry no voting rights. Holders of the preference shares are entitled to a dividend at 1% above the bank base rate and are repayable at par together with any unpaid dividend in the event of a winding up.

**26 Pensions and other post-retirement benefits**

The group contributes to pension schemes in the United Kingdom, the United States of America and Malaysia covering eligible employees. The schemes are funded partly by employees and partly by group companies. The assets of the schemes are separately administered by trustees or independent insurance companies.

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Pension costs comprise contributions to:		
United Kingdom defined contribution schemes	<b>354</b>	358
Overseas defined contribution schemes	<b>632</b>	529
	<u><b>986</b></u>	<u><b>887</b></u>

The cost of the United Kingdom funded defined benefit scheme is assessed on the advice of qualified actuaries using the attained age method.

The group operates a defined benefit pension scheme in the UK providing benefits based on a career average pensionable pay. A full actuarial valuation was carried out at 31 March 2019 by a qualified independent actuary.

The pension scheme became closed to future benefit accrual with effect from 31 March 2008 with all active members becoming deferred members at that date.

During 2019, the trustees secured an insurance policy designed to match the future pension liabilities of the scheme. During the year the company made contributions totalling £400,000 (2019 - £1,681,000).

The amounts recognised in the profit and loss account are as follows:

	<b>2020</b>	<b>2019</b>
	<b>£'000</b>	<b>£'000</b>
Amounts debited to operating profit:		
Current service cost	-	-
Past service cost	-	60
	<u>-</u>	<u>60</u>
Total operating debit	<u>-</u>	<u>60</u>
Amounts included in other finance costs:		
Interest income on plan assets	<b>(275)</b>	(381)
Interest on scheme liabilities	<b>284</b>	295
Interest expense on effect of asset ceiling	-	86
	<u>9</u>	<u>-</u>
Other finance costs	<u>9</u>	<u>-</u>
Total charge to the profit and loss account	<u><b>9</b></u>	<u><b>60</b></u>
Actual return on scheme assets	<u><b>(28)</b></u>	<u><b>(2,979)</b></u>

Other finance costs are included in the profit and loss account within interest payable and similar expenses.

**ANDREW INDUSTRIES LIMITED****Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)****26 Pensions and other post-retirement benefits (continued)**

Actuarial losses of £12,000 (2019 - £2,000,000) have been recognised in the statement of comprehensive income. At 31 March 2020 the cumulative amount of actuarial losses recognised in the statement of comprehensive income is £6,875,000 (2019 - £6,863,000).

The amounts recognised in the balance sheet are as follows:

	2020 £'000	2019 £'000
Present value of fund obligations	(11,574)	(12,060)
Fair value of scheme assets	11,629	11,681
	<u>55</u>	<u>(379)</u>
Effect of asset ceiling	(55)	-
	<u>-</u>	<u>(379)</u>
Pension liability at the end of the year	<u>-</u>	<u>(379)</u>

Changes in present value of the defined benefit obligation scheme are as follows:

	2020 £'000	2019 £'000
Opening defined benefit obligation	12,060	13,138
Interest on scheme liabilities	284	295
Actuarial (gain)/loss	(346)	915
Benefits paid	(424)	(2,348)
Other costs	-	60
	<u>11,574</u>	<u>12,060</u>
Closing defined benefit obligation	<u>11,574</u>	<u>12,060</u>

Changes in the fair value of scheme assets are as follows:

	2020 £'000	2019 £'000
Opening fair value of scheme assets	11,681	15,327
Interest income	275	381
Contributions by employer	400	1,681
Return on plan assets	(303)	(3,360)
Benefits paid	(424)	(2,348)
	<u>11,629</u>	<u>11,681</u>
Closing fair value of scheme assets	<u>11,629</u>	<u>11,681</u>

# ANDREW INDUSTRIES LIMITED

## Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)

### 26 Pensions and other post-retirement benefits (continued)

The fair value of the major categories of scheme assets as a percentage of total scheme assets are as follows:

	2020 %	2019 %
Equities	-	-
Gilts	-	-
Insurance policy	100	100
Index linked gilts	-	-
Corporate bonds	-	-

The principal actuarial assumptions as at the balance sheet date were:

	2020 %	2019 %
Discount rate	2.30	2.40
Rate of increase in pensions in payment	2.50	3.05
Rate of increase in deferred pensions	2.50	3.05
Inflation	2.50	3.20

Weighted average life expectancy for mortality tables used to determine benefit obligations at the year end:

	Male		Female	
	2020	2019	2020	2019
Member aged 65 (current life expectancy)	22.6	22.6	24.6	24.5
Member aged 45 (life expectancy at age 65)	24.0	24.0	26.1	26.1

Amounts for the current and previous four periods are as follows:

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Defined benefit obligation	(11,574)	(12,060)	(13,138)	(16,593)	(14,867)
Fair value of scheme assets	11,629	11,681	15,327	17,805	15,569
Surplus/(deficit) in the scheme	55	(379)	2,189	1,212	702

### 27 Commitments under operating leases

At 31 March 2020, the group's future minimum operating lease payments are as follows:

	2020		2019	
	Land and buildings £'000	Other £'000	Land and buildings £'000	Other £'000
Payments due:				
Not later than one year	1,271	46	1,220	60
Later than one year and not later than five years	2,278	19	3,258	46
Later than five years	256	-	418	-
	3,805	65	4,896	106

**ANDREW INDUSTRIES LIMITED**

**Notes forming part of the financial statements for the year ended 31 March 2020 (Continued)**

**28 Net cash generated from operating activities**

	2020 £'000	2019 £'000
Profit for the financial year before tax	5,359	3,442
<u>Adjustments for:</u>		
Amortisation of intangible assets	164	140
Depreciation of tangible fixed assets	4,424	3,933
Impairment of tangible fixed assets	-	352
(Profit)/loss on disposal of tangible fixed assets	(219)	14
Gain on revaluation of investment property	(530)	-
Interest paid	291	325
Interest received	(87)	(160)
Unrealised loss on listed investments	2	4
Loss on disposal of associated undertaking	-	29
Deferred grant income	(8)	-
Decrease/(increase) in stocks	113	(1,910)
(Increase)/decrease in debtors	(730)	1,580
(Decrease)/increase in creditors and provisions	(1,864)	731
Contribution to defined benefit pension scheme	(400)	(1,681)
Taxation paid	(1,008)	(732)
	<u>5,507</u>	<u>6,067</u>

**Group Net Debt Reconciliation**

	At 1 April 2019 £'000	Cash flows £'000	Movement in foreign exchange rates £'000	At 31 March 2020 £'000
Overdraft	(2,519)	1,244	-	(1,275)
Bank borrowings due within one year	(6,600)	-	-	(6,600)
Other borrowings due within one year	(1,184)	(119)	-	(1,303)
Bank borrowings due in more than one year	(1,950)	600	-	(1,350)
Finance leases	(8)	8	-	-
Cash	8,160	323	106	8,589
Cash equivalents	6	(1)	-	5
<b>Net Debt</b>	<u>(4,095)</u>	<u>2,055</u>	<u>106</u>	<u>(1,934)</u>

## ANDREW INDUSTRIES LIMITED

### Notes forming part of the financial statements for the year ended 31 March 2020 (*Continued*)

#### 29 Related party disclosures

The group has traded during the year, under normal commercial terms, with related parties being companies connected with one or more of the company's directors and shareholders. Sales to these related parties totalled £590,000 (2019 - £425,000) and purchases from these related parties totalled £nil (2019 - £6,000). At 31 March 2020 they owed group companies £64,000 (2019 - £50,000) and were owed by group companies £nil (2019 - £3,000).

The company has taken advantage of the exemption within section 33 of FRS 102 from the disclosure of transactions with wholly owned subsidiaries.

Included within creditors, amounts falling due within one year, is an amount of £1,303,000 (2019 - £1,184,000) owed to a director. This balance excludes accrued interest of £29,000 (2019 - £22,000) which was charged during the period.

#### 30 Executive capital trusts

The following assets and liabilities relating to the executive capital trusts have been included within the financial statements, in accordance with section 9 of FRS 102 in respect of the resulting constructive obligation:

	<b>Group £'000</b>	<b>Parent Company £'000</b>
Short term investments	1,448	843
Provisions for liabilities and charges	(1,947)	(937)
	<u>(499)</u>	<u>(94)</u>

#### 31 Controlling party

##### *Group and company*

The company is owned by a number of private shareholders. Accordingly, there is no parent entity or ultimate controlling entity.