

Company Registration No. 00548932 (England and Wales)

**EUROPEAN SPRINGS AND PRESSINGS  
LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

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

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	H M Downs M R Gibbs S P McSheehy O Tengroth	(Appointed 2 January 2020)
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<b>Secretary</b>	M R Gibbs
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<b>Company number</b>	00548932
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<b>Registered office</b>	Chaffinch Business Park Croydon Road Beckenham Kent BR3 4DW
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<b>Auditor</b>	PM+M Solutions for Business LLP New Century House Greenbank Technology Park Challenge Way Blackburn Lancashire BB1 5QB
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# EUROPEAN SPRINGS AND PRESSINGS LIMITED

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# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present the strategic report for the year ended 31 December 2019.

### **Fair review of the business**

The company continues to provide bespoke spring design and manufacturing service to a wide customer base.

The company's turnover decreased slightly during the year by £315,510 to £22,764,980.

The company as part of a larger group and with its financial strength is now well poised to further increase its market share within the spring manufacturing sector.

Reserves have increased by £2,668,340 during the year to £15,075,153.

### **Principal risks and uncertainties**

~~The company's main risk is that of reduced activity within the manufacturing sector as a result of the present economic situation arising from the Covid-19 pandemic and also the uncertainty surrounding Brexit and competition from emerging markets. These risks are mitigated by being part of a larger specialist group and by the quality of the company's in house engineering expertise.~~

The company does not actively use financial instruments as part of its financial risk management. It is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures.

### **Key performance indicators**

Turnover for the year to 31 December 2019 has reduced slightly by 1.37% in comparison to the company's previous accounting period. Gross margin for the year has also slightly reduced compared with the prior year at 40.32% (2018- 41.56%).

Fixed asset investment amounted to £803,378 (2018 - £3,183,314) during the year and there have been no significant disposals during the year.

On behalf of the board



S P McSheehy

**Director**

20 November 2020

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2019

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The directors present their annual report and financial statements for the year ended 31 December 2019.

#### Principal activities

The principal activity of the company continued to be that of the manufacturing of springs and pressings.

#### Directors

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

H M Downs

M R Gibbs

K G Lindback

(Resigned 31 December 2019)

S P McSheehy

O Tengroth

(Appointed 2 January 2020)

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#### Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £750,000. The directors do not recommend payment of a further dividend.

#### Auditor

The auditor, PM+M Solutions for Business LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## DIRECTORS' REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### Statement of directors' responsibilities

The directors are responsible for preparing the annual 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). 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 of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

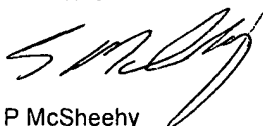
- select suitable accounting policies and then apply them consistently;
  - make judgements and accounting estimates that are reasonable and prudent;
  - prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.
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~~The 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.~~

#### Statement of disclosure to auditor

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

On behalf of the board



S P McSheehy

Director

20 November 2020

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF EUROPEAN SPRINGS AND PRESSINGS LIMITED

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#### Opinion

We have audited the financial statements of European Springs and Pressings Limited (the 'company') for the year ended 31 December 2019 which comprise the statement of income and retained earnings, the balance sheet 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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#### 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 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.

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

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

- the information given in the 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.

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF EUROPEAN SPRINGS AND PRESSINGS LIMITED

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

*In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.*

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or*
- the financial statements are not in agreement with the accounting records and returns; or*
- certain disclosures of 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**

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*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 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 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: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.*



# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF EUROPEAN SPRINGS AND PRESSINGS LIMITED

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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

20 November 2020

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**Chartered Accountants**  
**Statutory Auditor**

New Century House  
Greenbank Technology Park  
Challenge Way  
Blackburn  
Lancashire  
BB1 5QB

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## STATEMENT OF INCOME AND RETAINED EARNINGS FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019 £	2018 £
<b>Turnover</b>	<b>3</b>	<b>22,764,980</b>	23,080,490
Cost of sales		(13,585,027)	(13,489,237)
<b>Gross profit</b>		<b>9,179,953</b>	9,591,253
Distribution costs		(871,225)	(976,863)
Administrative expenses		(4,075,123)	(3,594,310)
<b>Operating profit</b>	<b>4</b>	<b>4,233,605</b>	5,020,080
Interest receivable and similar income	8	340	-
Interest payable and similar expenses	9	(38,200)	(9,733)
<b>Profit before taxation</b>		<b>4,195,745</b>	5,010,347
Tax on profit	10	(790,127)	(970,351)
<b>Profit for the financial year</b>		<b>3,405,618</b>	4,039,996
Retained earnings brought forward		12,406,813	8,616,817
Dividends	11	(750,000)	(250,000)
Retained earnings carried forward		<b>15,062,431</b>	12,406,813

The Statement of income and retained earnings has been prepared on the basis that all operations are continuing operations.

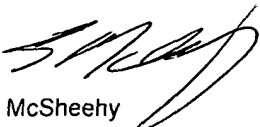
# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## BALANCE SHEET

AS AT 31 DECEMBER 2019

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12		7,253,999		7,446,341
<b>Current assets</b>					
Stocks	13	4,984,524		4,870,237	
Debtors	14	3,916,920		4,157,912	
Cash at bank and in hand		3,011,870		813,795	
		11,913,314		9,841,944	
<b>Creditors: amounts falling due within one year</b>	15	(2,456,230)		(3,298,094)	
<b>Net current assets</b>			9,457,084		6,543,850
<b>Total assets less current liabilities</b>			16,711,083		13,990,191
<b>Creditors: amounts falling due after more than one year</b>	16		(1,055,093)		(1,073,982)
<b>Provisions for liabilities</b>	18		(592,959)		(508,796)
<b>Net assets</b>			15,063,031		12,407,413
<b>Capital and reserves</b>					
Called up share capital	21		600		600
Profit and loss reserves			15,062,431		12,406,813
<b>Total equity</b>			15,063,031		12,407,413

The financial statements were approved by the board of directors and authorised for issue on 20 November 2020 and are signed on its behalf by:

  
S P McSheehy  
Director

Company Registration No. 00548932

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

#### Company information

European Springs and Pressings Limited is a private company limited by shares incorporated in England and Wales. The registered office is Chaffinch Business Park, Croydon Road, Beckenham, Kent, BR3 4DW.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, 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:

- Section 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- 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; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Beijer Alma AB (publ). These consolidated financial statements are available from the registered office of European Springs and Pressings Limited at Chaffinch Business Park, Croydon Road, Beckenham, BR3 4DW.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies (Continued)

#### 1.4 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold land and buildings	2% straight line
Plant and equipment	10% straight line & 20% straight line
Motor vehicles	25% reducing balance

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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 profit or loss.

#### 1.5 Impairment of fixed assets

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

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

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

#### 1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

#### 1.7 Cash at bank and in hand

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

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 1 Accounting policies

(Continued)

#### 1.8 Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

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

#### **Basic financial assets**

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

#### **Other financial assets**

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

#### **Impairment of financial assets**

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

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

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

#### **Derecognition of financial assets**

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

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

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

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

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

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##### **Other financial liabilities**

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

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

##### **Derecognition of financial liabilities**

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

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

#### 1.9 Taxation

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

##### **Current tax**

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

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.10 Provisions

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

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

#### 1.11 Employee benefits

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

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

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

#### 1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.13 Leases

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



# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

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### 1 Accounting policies

(Continued)

#### 1.14 Government grants

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

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

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

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### 2 Judgements and key sources of estimation uncertainty

In the application of the company'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.

#### **Development expenditure**

Development expenditure is written off in the period in which it is incurred.

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#### **Impairment of non-financial assets**

Where there are indications of impairment of individual assets, the company performs impairment tests based on fair value less costs to sell. The fair value is based on the knowledge of the management.

#### **Stock impairment**

Where there are indications of impairment of stock items, the company makes a provision against the value of the stock item based on the knowledge of the management.

#### **Dilapidation provision**

The company has made provision for expected future costs in relation to dilapidations. The value is based upon the knowledge of management.

#### **Taxation**

The company makes provisions based on reasonable estimates. The amount of such provision is based on various factors, such as experience with previous tax audits and interpretations of tax regulations.

#### **Critical areas of judgement**

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee.

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 3 Turnover and other revenue

	2019	2018
	£	£
<b>Other significant revenue</b>		
Interest income	340	-

	2019	2018
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	14,192,737	14,974,162
Rest of Europe	8,239,706	7,814,423
Rest of the world	332,537	291,905

	<b>22,764,980</b>	<b>23,080,490</b>
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### 4 Operating profit

	2019	2018
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses	17,675	40,863
Depreciation of owned tangible fixed assets	974,478	736,193
Loss/(profit) on disposal of tangible fixed assets	4,392	(6,506)
Operating lease charges	292,966	294,319

### 5 Auditor's remuneration

	2019	2018
	£	£
Fees payable to the company's auditor and associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	31,729	29,659
<b>For other services</b>		
Other taxation services	900	900

### 6 Employees

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

	2019	2018
	Number	Number
Production	151	154
Office and management	34	33
<b>Total</b>	<b>185</b>	<b>187</b>

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 6 Employees (Continued)

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	5,093,806	4,679,868
Social security costs	431,964	414,281
Pension costs	143,001	102,745
	<u>5,668,771</u>	<u>5,196,894</u>

### 7 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	328,563	348,079
Company pension contributions to defined contribution schemes	9,990	7,178
	<u>338,553</u>	<u>355,257</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 3 (2018 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	119,711	132,076
Company pension contributions to defined contribution schemes	2,865	2,101
	<u>122,576</u>	<u>134,177</u>

### 8 Interest receivable and similar income

	2019 £	2018 £
Interest income		
Interest on bank deposits	340	-
	<u>340</u>	<u>-</u>

### 9 Interest payable and similar expenses

	2019 £	2018 £
Interest on bank overdrafts and loans	38,200	9,733
	<u>38,200</u>	<u>9,733</u>

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 10 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	709,858	888,281
Adjustments in respect of prior periods	(3,894)	-
Total current tax	<u>705,964</u>	<u>888,281</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	<u>84,163</u>	<u>82,070</u>
Total tax charge	<u>790,127</u>	<u>970,351</u>

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

	2019 £	2018 £
Profit before taxation	<u>4,195,745</u>	<u>5,010,347</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	797,192	951,966
Tax effect of expenses that are not deductible in determining taxable profit	573	6,067
Depreciation on assets not qualifying for tax allowances	-	3,491
Under/(over) provided in prior years	(3,936)	-
Deferred tax adjustments in respect of prior years	(9,906)	8,827
Fixed asset difference	6,204	-
Taxation charge for the year	<u>790,127</u>	<u>970,351</u>

### 11 Dividends

	2019 £	2018 £
Final paid	<u>750,000</u>	<u>250,000</u>

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2019

### 12 Tangible fixed assets

	Freehold land and buildings £	Assets under construction £	Plant and equipment £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 January 2019	2,053,915	296,034	10,375,045	1,415,416	14,140,410
Additions	143,164	6,581	409,328	244,305	803,378
Disposals	-	-	(28,265)	-	(28,265)
Transfers	-	(296,034)	296,034	-	-
At 31 December 2019	2,197,079	6,581	11,052,142	1,659,721	14,915,523
<b>Depreciation and impairment</b>					
At 1 January 2019	81,712	-	5,901,252	711,105	6,694,069
Depreciation charged in the year	32,654	-	732,032	209,792	974,478
Eliminated in respect of disposals	-	-	(7,023)	-	(7,023)
At 31 December 2019	114,366	-	6,626,261	920,897	7,661,524
<b>Carrying amount</b>					
At 31 December 2019	2,082,713	6,581	4,425,881	738,824	7,253,999
At 31 December 2018	1,972,203	296,034	4,473,793	704,311	7,446,341

### 13 Stocks

	2019 £	2018 £
Raw materials and consumables	2,731,119	2,918,019
Work in progress	325,500	294,142
Finished goods and goods for resale	1,927,905	1,658,076
	<u>4,984,524</u>	<u>4,870,237</u>

### 14 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,476,685	2,347,775
Amounts owed by group undertakings	1,300,643	1,632,877
Other debtors	565	-
Prepayments and accrued income	139,027	177,260
	<u>3,916,920</u>	<u>4,157,912</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 15 Creditors: amounts falling due within one year

	2019 £	2018 £
Payments received on account - government grants	18,889	18,889
Trade creditors	779,342	1,591,140
Amounts due to group undertakings	406,024	636,562
Corporation tax	367,493	410,147
Other taxation and social security	296,654	90,853
Other creditors	501,217	420,419
Accruals and deferred income	86,611	130,084
	<u>2,456,230</u>	<u>3,298,094</u>

Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

### 16 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Bank loans and overdrafts	1,000,000	1,000,000
Government grants	55,093	73,982
	<u>1,055,093</u>	<u>1,073,982</u>

Creditors include amounts of deferred government grants which are of a capital nature. The grant will be recognised in the profit and loss account over the expected useful economic life of the asset which is 10 years.

The long-term loans are secured by fixed charges over the land and building.

### 17 Loans and overdrafts

	2019 £	2018 £
Bank loans	<u>1,000,000</u>	<u>1,000,000</u>
Payable after one year	<u>1,000,000</u>	<u>1,000,000</u>

The loan is repayable in one instalment five years from the date on which the loan is made, on which an interest rate of 1.95% is charged.

The loan is secured by way of a fixed charge over property held in the company.

# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 18 Provisions for liabilities

	Notes	2019 £	2018 £
Dilapidation provision		230,000	230,000
Deferred tax liabilities	19	362,959	278,796
		<u>592,959</u>	<u>508,796</u>

### 19 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2019 £	Liabilities 2018 £
<b>Balances:</b>		
Accelerated capital allowances	<u>362,959</u>	<u>278,796</u>
<b>Movements in the year:</b>		2019 £
Liability at 1 January 2019		278,796
Charge to profit or loss		84,163
Liability at 31 December 2019		<u>362,959</u>

### 20 Retirement benefit schemes

	2019 £	2018 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>143,001</u>	<u>102,745</u>

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

### 21 Share capital

	2019 £	2018 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
500 Ordinary share of £1 each	500	500
100 Ordinary A share of £1 each	100	100
	<u>600</u>	<u>600</u>



# EUROPEAN SPRINGS AND PRESSINGS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2019

### 22 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	275,575	267,049
Between two and five years	1,027,587	1,020,956
In over five years	124,698	374,093
	<u>1,427,860</u>	<u>1,662,098</u>

### 23 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2019 £	2018 £
Acquisition of tangible fixed assets	-	355,920

### 24 Ultimate controlling party

The company's ultimate holding company is Beijer Alma AB which is registered in Sweden (no 5562297480), for which group accounts are prepared.

Copies of the group accounts can be obtained from the Registered Office of European Springs and Pressings Limited at Chaffinch Business Park, Croydon Road, Beckenham, Kent, BR3 4DW.