

Registered number: 01399323

A&H Europe Limited

Financial statements

For the year ended 31 December 2017

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A&H Europe Limited
Registered number: 01399323

Balance sheet
As at 31 December 2017


	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	-	1,645
		-	1,645
Current assets			
Stocks		7,925	9,877
Debtors: amounts falling due within one year	5	473,459	444,059
Bank and cash balances		57,407	42,143
		538,791	496,079
Creditors: amounts falling due within one year	6	(126,935)	(45,371)
Net current assets		411,856	450,708
Total assets less current liabilities		411,856	452,353
Net assets		411,856	452,353
Capital and reserves			
Called up share capital	7	10,000	10,000
Capital redemption reserve		49	49
Profit and loss account		401,807	442,304
		411,856	452,353

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the profit and loss account in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on



 Mrs J C Kerr

Company secretary and director

The notes on pages 2 to 7 form part of these financial statements.

7/5/18

**Notes to the financial statements
For the year ended 31 December 2017**

1. General information

The company is a private company limited by share capital incorporated in England. The address of its registered office, which is also its principal place of business, is listed on the company information page.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the company's accounting policies.

The financial statements are presented in sterling which is the functional currency of the company and are rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on a going concern basis. The directors have prepared budgets for the year ended 31 December 2018 and have received assurances from the company's ultimate parent undertaking, R & J Manufacturing Company, that it will continue to support the company to enable it to continue trading and to meet its liabilities as they fall due for at least 12 months from 16 April 2018. On the assumption that the continuing support of R & J Manufacturing Company will be available, the directors consider it is appropriate for the financial statements to be prepared on the going concern basis. If the assumption proves to be inappropriate, then adjustments may have to be made to adjust the value of assets to their recoverable amounts and to provide for any further liabilities which may arise.

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Turnover from commissions on sales and debt collection are recognised in the period the services are provided.

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.4 Leases

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

The estimated useful lives range as follows:

Plant and machinery	- At varying rates on cost (2-10 years straight line)
Office equipment	- At varying rates on cost (4-10 years straight line)

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

2.6 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis.

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 profit or loss.

2.7 Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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.

2.8 Creditors

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Financial instruments

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

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

2.11 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

2.12 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

2.13 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

**Notes to the financial statements
For the year ended 31 December 2017**

2. Accounting policies (continued)

2.14 Taxation

Tax is recognised in the Statement of income and retained earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

3. Employees

The average monthly number of employees, including directors, during the year was 11 (2016 - 10).

4. Tangible fixed assets

	Plant and machinery £	Office equipment £	Total £
At 1 January 2017	10,998	27,512	38,510
Disposals	(10,998)	(27,512)	(38,510)
At 31 December 2017	-	-	-
At 1 January 2017	9,460	27,405	36,865
Charge for the year on owned assets	367	59	426
Disposals	(9,827)	(27,464)	(37,291)
At 31 December 2017	-	-	-
Net book value			
At 31 December 2017	-	-	-
At 31 December 2016	1,538	107	1,645

A&H Europe Limited

Notes to the financial statements For the year ended 31 December 2017

5. Debtors

	2017 £	2016 £
Trade debtors	3,501	3,669
Amounts owed by group undertakings	452,945	423,113
Other debtors	17,013	17,277
	<u>473,459</u>	<u>444,059</u>

6. Creditors: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	4,428	1,580
Corporation tax	148	1,709
Other taxation and social security	18,680	8,252
Other creditors	103,679	33,830
	<u>126,935</u>	<u>45,371</u>

7. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

8. Commitments under operating leases

At 31 December 2017 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2017 £	2016 £
Not later than 1 year	17,315	17,315
Later than 1 year and not later than 5 years	45,333	62,648
	<u>62,648</u>	<u>79,963</u>

**Notes to the financial statements
For the year ended 31 December 2017**

9. Related party transactions

Directors' remuneration

During the year directors' remuneration (including benefits in kind and money purchase pension scheme contributions) totalled £176,359 (2016 - £100,937)

The company has taken advantage of the exemption in section 1A of FRS 102 from disclosing transactions with other members of the group.

10. Parent undertaking

The company's immediate parent is A & H Worldwide LLC, incorporated in United States.

A & H Worldwide LLC registered office and principal place of business is 1 Carding Lane, Johnston, RI 02919. Its financial statements are not publicly available.

The ultimate controlling party is Mr R Andreoli.

11. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2017 was qualified.

The qualification in the audit report was as follows:

There was a limitation on our audit work relating to amounts owed by group undertakings in debtors of £452,945 and the assessment of the appropriateness of the going concern basis of preparation of the financial statements which meant that we were unable to obtain all the information and explanations that we considered necessary for the purpose of our audit.

In respect of amounts owed by group undertakings in debtors of £452,945, we have received confirmations from these counterparties of the accuracy of these debtor balances but were unable to obtain sufficient appropriate audit evidence regarding the recoverability of these debts in full.

In respect of the assessment of the appropriateness of the going concern basis of preparation of the financial statements we were unable to obtain sufficient appropriate audit evidence to enable us to assess the ability of R & J Manufacturing Company, the ultimate parent undertaking, to support the company as a going concern.

The audit report was signed on 21 May 2018 by Graham Hunt BA FCA (Senior statutory auditor) on behalf of Kreston Reeves LLP.