

Company registration number 01626825 (England and Wales)

REFLEXALLEN UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

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REFLEXALLEN UK LIMITED

COMPANY INFORMATION

Directors	Mr R Gibellini Mr J S Reece	(Appointed 19 January 2021)
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Company number	01626825
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Registered office	Unit 1 Royal Welch Avenue Bodelwyddan Rhyl Wales LL18 5TQ
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Auditor	Harold Smith Unit 32, Llys Edmund Prys St Asaph Business Park St Asaph Denbighshire LL17 0JA
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REFLEXALLEN UK LIMITED

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REFLEXALLEN UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report for the year ended 31 December 2021.

Fair review of the business

The 2021 turnover was £49.1 million which has increased from the 2020 turnover of £37.5 million. The company's foreign turnover is mainly in Europe (83.2%) and conducted in Euro.

Principal risks and uncertainties

The principal risks associated with the company are those business which are not secured by long term contracts in addition to raw material availability.

In terms of cash; trade receivables / payables, currency, interest, credit and liquidity.

The board reviews and agrees controls to allow for the practical risk management as follows;

Currency risk

The most common currency used in the company is Euro, which is mainly dictated by our customers and suppliers. Therefore, the transaction risk is relatively low.

Variances which affect operational activities are reflected in the operating costs and cost of sales within the P&L.

Interest rate risk

The company's borrowings from finance institutions are based on lib or (or UK bank base rates) or in Euribor . No hedging or similar instruments are considered necessary by the board.

Liquidity risk

It is the company's policy to ensure that sufficient resources are available from cash balances in-order to ensure all obligations can be met when due.

Credit risk

The company has no significant concentration of credit risk. Customers who wish to trade on credit terms are subject to strict verification procedures in advance of credit being awarded and are monitored on a continuous basis.

Key performance indicators

The company uses key performance indicators to measure the progress of the company on achieving both its business objectives and strategies. Performance is reviewed at monthly intervals, in addition to a quarterly review. The primary performance measures are turnover and gross margin.

Section 172 Statement

The decisions made by the directors are aimed at enabling the company to operate sustainably in the long term. The company seeks to put its customers' best interests first, invests in its employees , develop relationships with suppliers, support the community in which it operates and strives to generate sustainable profits.

The directors of the company have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision making at board level and throughout the group . They consider the various issues, factors and stakeholders when discharging their duty under section 172(1).

REFLEXALLEN UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

On behalf of the board



Mr R Gibellini
Director

3 August 2022

REFLEXALLEN UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

Principal activities

The principal activity of the company continued to be that of the manufacture, manipulation and assembly of tubing and cable for the commercial and specialist vehicle part of the automotive industry on an international basis. The products can be broken down into four divisions:

Reflexallen Pneumatic

An extensive piping range for the automotive industry designed and built to meet the quality standards required by both vehicle manufacturers and the spare parts market (aftermarket).

Reflexallen Electrical

An extensive range of cables and electrical coils for the vehicles industry (trucks and trailers) available for a diversity of applications 7- and 15-pole, EBS, ADR cables and adapters.

Reflexallen Fluid Power

Subsystems and components for the transmission of fluids and air used for engine powering, cooling systems, fuel systems, brake systems and for emission control.

Reflexallen Safety Devices

An extensive range of signage panels and tapes, ADR devices, and accessories for fitting out commercial vehicles in general.

Results and dividends

The results for the year are set out on page 12.

Ordinary dividends were paid amounting to £1,979,919. The directors do not recommend payment of a final dividend.

Directors

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

Mr R Gibellini

Mr G Da Re

Mr J S Reece

(Resigned 15 April 2021)

(Appointed 19 January 2021)

Research and development

During 2021, the company continued its investment into R&D projects, where the three main pillars of development were clearly set out to stakeholders and department leaders.

Sustainability – to reduce the carbon footprint of the products which we develop (sourcing and selection of bio-based materials)

Mass reduction – to reduce the weight of the vehicle sub-system through the design and development phase

E-mobility – to protect our future as a company, the focus and development of electrical and battery cooling products is to ensure that new vehicle platforms are assembled with our products

Disabled persons

Applications for employment by disabled persons are always fully considered, bearing in mind the aptitudes of the applicant concerned. In the event of members of staff becoming disabled, every effort is made to ensure that their employment within the company continues and that the appropriate training is arranged. It is the policy of the company that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

REFLEXALLEN UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

Employee involvement

The company's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the company's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Business relationships

As mentioned in the strategic report, the decisions made by the directors are aimed at enabling the company to operate sustainably in the long term. The company seeks to put its customers' best interests first, invests in its employees, develop relationships with suppliers, support the community in which it operates and strives to generate sustainable profits.

The directors of the company have acted in accordance with their duties codified in law, which include their duty to act in the way in which they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1) of the Companies Act 2006.

Section 172 considerations are embedded in decision making at board level and throughout the group. They consider the various issues, factors and stakeholders when discharging their duty under section 172(1).

Post reporting date events

As explained in note 1.2 to the accounts, the company has the support of the ultimate parent company and the ultimate parent company has indicated that it will continue to support the company in the foreseeable future and provide additional finance if necessary in order that it can settle its liabilities as they fall due.

Additionally, the directors have considered the effects of COVID-19 and are satisfied that the virus will not have a material impact on the company's ability to continue as a going concern.

Future developments

In addition to the development pillars, the company has targeted new and strategic customers in-order to secure future business with a variety of customers. Existing customers such as Volvo, Scania and DAF have invested heavily into electrification and our development path matches that of our customers. New business has been secured with important and strategic customers such as Arrival, Ineos and CNH

Auditor

The auditor, Harold Smith, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Energy and carbon report

The company has consumed more than 40,000 kWh of energy in this reporting period, and as such is required to report on its emissions, energy consumption or energy efficiency activities.

REFLEXALLEN UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

	2021 kWh	2020 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	3,560,903	3,939,663
- Electricity purchased	4,305,870	4,308,307
- Fuel consumed for transport	32,197	102,078
	<u>7,898,970</u>	<u>8,350,048</u>
	2021 metric tonnes	2020 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	652.20	792.20
- Fuel consumed for owned transport	7.50	24.30
	<u>659.70</u>	<u>816.50</u>
Scope 2 - indirect emissions		
- Electricity purchased	914.30	918.50
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	81.00	79.00
	<u>1,655.00</u>	<u>1,814.00</u>
<i>Intensity ratio</i>		
Tonnes CO2e per million of units produced	<u>20.8</u>	<u>26.420</u>

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO2e per million of units produced, the recommended ratio for the sector.

Measures taken to improve energy efficiency

In the financial year ended 31 December 2021, ReflexAllen UK Limited has helped to minimise energy consumption by:

- Streamlining the electrical coiling process to reduce number of hours of thermoforming (electric)
- Changing the water-cooling process in extrusion to a closed loop to reduce the cooling capacity needed
- Introduced shutdown procedures for assembly areas for end of shift/week

Strategic report

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of credit risk and liquidity risk.

REFLEXALLEN UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

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



Mr R Gibellini

Director

3 August 2022

REFLEXALLEN UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2021

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The 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.

REFLEXALLEN UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF REFLEXALLEN UK LIMITED

Opinion

We have audited the financial statements of ReflexAllen UK Limited (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the revised financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its loss 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 as they have effect under the Companies (Revision of Defective Accounts and Reports) Regulations 2008.

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 revised 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.

Emphasis of matter

We draw attention to note 1.2 of the financial statements, which explains the effects of COVID-19 are difficult to quantify. However, the directors are confident that there is sufficient funding available to meet the company's trading requirements for the next 12 months and have prepared these accounts on a going concern basis accordingly. Our opinion is not modified in this respect.

Conclusions relating to going concern

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

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

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

REFLEXALLEN UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF REFLEXALLEN UK LIMITED

Other information

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 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 or the directors' report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, 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

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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

REFLEXALLEN UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF REFLEXALLEN UK LIMITED

In identifying and assessing risks of material misstatement the audit engagement team:

- Obtained an understanding of the nature of the industry and sector, including the legal and regulatory frameworks, that the company operates in;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities;
- obtained an understanding of how the company is complying with the legal and regulatory frameworks by making inquiries of management, those responsible for legal and compliance procedures;
- assessed the susceptibility of the company's financial statements to material misstatement, including:
 - obtaining an understanding of the control environment and business performance including remuneration policies and performance targets;
 - evaluating the design of the internal controls established to mitigate risks of fraud and determining whether they have been implemented;
 - inquiring of management and those charged with governance about any know actual, suspected or alleged fraud;
 - inspecting minutes of meetings of those charged with governance;
 - discussing matters among the audit engagement team regarding how and where the financial statements may be susceptible to material misstatement due to fraud, including how fraud may occur.

The areas that we identified as being susceptible to material misstatements due to fraud were:

Risks, legislation and regulations identified	Audit response
Revenue recognition	Testing a sample of transactions recognised either side of the reporting date to determine whether revenue was recorded in the correct period.
Management override of controls	Testing the appropriateness of journal entries and other judgements; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.
FRS 102 and Companies Act 2006	Review of the financial statement disclosures and testing to supporting documentation; and Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of correspondences with local tax authorities.
Employment law and health and safety	ISAs limit the required audit procedures to identify non-compliance with these laws and regulations to inquiry of management and where appropriate, those charged with governance (as noted above) and inspection of legal and regulatory correspondence, if any.

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

REFLEXALLEN UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF REFLEXALLEN UK LIMITED

Use of our report

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member, for our audit work, for this report, or for the opinions we have formed.



Simon Murray-Williams BA FCA (Senior Statutory Auditor)
For and on behalf of Harold Smith

3 August 2022

Chartered Accountants
Statutory Auditor

Unit 32, Llys Edmund Prys
St Asaph Business Park
St Asaph
Denbighshire
LL17 0JA

REFLEXALLEN UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	49,097,542	37,452,743
Cost of sales		(44,058,156)	(31,866,273)
Gross profit		5,039,386	5,586,470
Distribution costs		(3,017,760)	(1,228,330)
Administrative expenses		(6,390,814)	(6,092,046)
Other operating income		207,631	1,112,644
Operating loss	4	(4,161,557)	(621,262)
Interest receivable and similar income	8	1,659,200	1,359,791
Interest payable and similar expenses	9	(147,083)	(162,804)
(Loss)/profit before taxation		(2,649,440)	575,725
Tax on (loss)/profit	10	1,065,436	329,780
(Loss)/profit for the financial year		(1,584,004)	905,505

The profit and loss account has been prepared on the basis that all operations are continuing operations.

REFLEXALLEN UK LIMITED

BALANCE SHEET

AS AT 31 DECEMBER 2021

	Notes	2021 £	£	2020 £	£
Fixed assets					
Goodwill	13		246,052		328,070
Tangible assets	14		6,610,364		6,860,748
Investments	15		3,166,845		3,166,845
			<u>10,023,261</u>		<u>10,355,663</u>
Current assets					
Stocks	17	10,630,901		9,816,605	
Debtors falling due after more than one year	18	2,218,421		1,182,594	
Debtors falling due within one year	18	21,814,817		24,155,221	
Cash at bank and in hand		51,293		2,484,645	
		<u>34,715,432</u>		<u>37,639,065</u>	
Creditors: amounts falling due within one year	19	(21,610,684)		(20,944,782)	
Net current assets			<u>13,104,748</u>		<u>16,694,283</u>
Total assets less current liabilities			<u>23,128,009</u>		<u>27,049,946</u>
Creditors: amounts falling due after more than one year	20		(207,965)		(676,686)
Provisions for liabilities					
Deferred tax liability	22	256,179		-	
		<u>(256,179)</u>		<u>-</u>	
Government grants	23		(581,887)		(727,359)
Net assets			<u>22,081,978</u>		<u>25,645,901</u>
Capital and reserves					
Called up share capital	25		11,933		11,933
Share premium account	26		244,930		244,930
Capital redemption reserve	27		1,360		1,360
Profit and loss reserves	28		21,823,755		25,387,678
Total equity			<u>22,081,978</u>		<u>25,645,901</u>

REFLEXALLEN UK LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2021

The financial statements were approved by the board of directors and authorised for issue on 3 August 2022 and are signed on its behalf by:



Mr R Gibellini
Director

Company Registration No. 01626825

REFLEXALLEN UK LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2020		11,933	244,930	1,360	24,482,173	24,740,396
Year ended 31 December 2020:						
Profit and total comprehensive income for the year		-	-	-	905,505	905,505
Balance at 31 December 2020		11,933	244,930	1,360	25,387,678	25,645,901
Year ended 31 December 2021:						
Loss and total comprehensive income for the year		-	-	-	(1,584,004)	(1,584,004)
Dividends	11	-	-	-	(1,979,919)	(1,979,919)
Balance at 31 December 2021		11,933	244,930	1,360	21,823,755	22,081,978

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

Company information

ReflexAllen UK Limited is a private company limited by shares incorporated in England and Wales, company number 01626825. The registered office is Unit 1, Royal Welch Avenue, Bodelwyddan, Rhyl, Wales, LL18 5TQ.

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 £.

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 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: The disclosure requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b), 11.48(c), 12.26, 12.27, 12.29(a), 12.29(b), and 12.29A;
- Section 26 'Share based Payment': Share based payment arrangements required under FRS 102 paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Finlite s.r.l. These consolidated financial statements are available from its registered office, Via Luigi Valdrighi 101/2, Modena, Italy 41124.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

ReflexAllen UK Limited is a wholly owned subsidiary of Allmark Limited, a company incorporated in England & Wales, who is owned by Reflexallen S.p.A., a company incorporated in Italy.

The majority shareholder of Reflexallen S.p.A. is Finlite s.r.l., incorporated in Italy, who is considered to be the ultimate controlling party. The results of ReflexAllen UK Limited are included in the consolidated financial statements of Finlite s.r.l. which are available from Via Luigi Valdrighi 101/2, Modena, Italy 41124.

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.2 Going concern

These financial statements are prepared on the going concern basis. The directors have a reasonable expectation that the company will continue in operational existence for the foreseeable future.

Although the full effects of COVID-19 are difficult to quantify, the directors have considered the potential implications of the virus. The ultimate parent company has indicated it will continue to support the company and the company has been in receipt of grants and government schemes during the pandemic.

Additionally, the ultimate parent company has indicated that it will continue to support the company in the foreseeable future and provide additional finance in order that it can settle its liabilities as they fall due.

In conclusion, in the opinion of the directors, there is sufficient funding available to meet the company's trading requirements for the foreseeable future and the effects of COVID-19 will not have a material impact on the company's ability to continue as a going concern. These financial statements do not include any adjustment that might be required if the application of the going concern basis proves to be inappropriate.

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. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

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

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

1.4 Research and development expenditure

Research expenditure is written off against profits in the year in which it is incurred.

1.5 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 5 years.

For the purposes of impairment testing, goodwill is allocated to the cash-generating units expected to benefit from the acquisition. Cash-generating units to which goodwill has been allocated are tested for impairment at least annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit.

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, 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:

Land and buildings Freehold	2% straight line, freehold land is not depreciated
Plant and machinery	20% reducing balance
Fixtures, fittings & equipment	20% reducing balance and 33% straight line
Motor vehicles	33% reducing balance

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.

1.7 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

An associate is an entity, being neither a subsidiary nor a joint venture, in which the company holds a long-term interest and where the company has significant influence. The company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

Entities in which the company has a long term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

1.8 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible 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.

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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

1.9 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 cost and replacement 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.

1.10 Cash and cash equivalents

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

1.11 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.

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Impairment of financial assets

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

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

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

Derecognition of financial assets

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

Classification of financial liabilities

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

Basic financial liabilities

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

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

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

Other financial liabilities

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

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

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.12 Equity instruments

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

1.13 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.

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.

1.14 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.

1.15 Retirement benefits

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

1.16 Leases

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies

(Continued)

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.

1.17 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.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.18 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.

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.

Critical judgements

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

Stock provisions

Stock is provided against based on the date of last use on a % basis as follows:

9 - 12 months - 10%
12 - 18 months - 30%
18 - 24 months - 60%
over 24 months - 90%

3 Turnover and other revenue

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

	2021	2020
	£	£
Turnover analysed by class of business		
Maufacture of parts for the truck industry	49,097,542	37,452,743

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

3 Turnover and other revenue

(Continued)

	2021 £	2020 £
Turnover analysed by geographical market		
United Kingdom	4,742,748	4,361,620
Europe (EU & non-EU)	40,488,264	31,170,804
Rest of World	3,866,530	1,920,319
	<u>49,097,542</u>	<u>37,452,743</u>
	2021 £	2020 £
Other revenue		
Interest income	39,202	51,636
Dividends received	1,619,998	1,308,155
Grants received	181,840	1,101,177
	<u></u>	<u></u>

4 Operating loss

	2021 £	2020 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	84,644	243,452
Research and development costs	74,276	841,412
Government grants	(181,840)	(1,101,177)
Depreciation of owned tangible fixed assets	551,580	468,078
Loss/(profit) on disposal of tangible fixed assets	12,665	(873,445)
Amortisation of intangible assets	82,018	82,018
Impairment of stocks recognised or reversed	92,824	82,830
Operating lease charges	160,860	145,311
	<u></u>	<u></u>

5 Auditor's remuneration

	2021 £	2020 £
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	19,105	23,996
Audit of the financial statements of the company's subsidiaries	2,485	2,485
	<u>21,590</u>	<u>26,481</u>
For other services		
Taxation compliance services	1,000	1,000
All other non-audit services	3,795	3,795
	<u>4,795</u>	<u>4,795</u>

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

6 Employees

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

	2021 Number	2020 Number
Factory	261	238
Management	10	11
Administration	38	38
Total	309	287

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	13,151,658	8,955,449
Social security costs	643,614	583,021
Pension costs	241,908	214,360
	14,037,180	9,752,830

7 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	151,747	31,492
Company pension contributions to defined contribution schemes	29,652	1,800
	181,399	33,292

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

8 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest receivable from group companies	39,202	51,636
Income from fixed asset investments		
Income from shares in group undertakings	1,619,998	1,308,155
Total income	1,659,200	1,359,791

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

9 Interest payable and similar expenses

	2021	2020
	£	£
Interest on bank overdrafts and loans	147,083	145,789
Other interest	-	17,015
	<u>147,083</u>	<u>162,804</u>

10 Taxation

	2021	2020
	£	£
Current tax		
Adjustments in respect of prior periods	-	(192,183)
	<u>-</u>	<u>(192,183)</u>
Deferred tax		
Origination and reversal of timing differences	-	(137,597)
Previously unrecognised tax loss, tax credit or timing difference	(1,065,436)	-
	<u>(1,065,436)</u>	<u>(137,597)</u>
Total deferred tax	(1,065,436)	(137,597)
	<u>(1,065,436)</u>	<u>(137,597)</u>
Total tax credit	(1,065,436)	(329,780)
	<u>(1,065,436)</u>	<u>(329,780)</u>

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

	2021	2020
	£	£
(Loss)/profit before taxation	<u>(2,649,440)</u>	<u>575,725</u>
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(503,394)	109,388
Tax effect of expenses that are not deductible in determining taxable profit	59,884	(144,783)
Tax effect of income not taxable in determining taxable profit	(34,550)	(43,187)
Unutilised tax losses carried forward	785,860	327,131
Other permanent differences	-	(137,597)
Under/(over) provided in prior years	(1,065,436)	(192,183)
Dividend income	(307,800)	(248,549)
	<u>(1,065,436)</u>	<u>(329,780)</u>
Taxation credit for the year	(1,065,436)	(329,780)
	<u>(1,065,436)</u>	<u>(329,780)</u>

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Dividends

	2021 £	2020 £
Interim paid	1,979,919	-

12 Impairments

Impairment tests have been carried out where appropriate and the following impairment losses have been recognised in profit or loss:

	Notes	2021 £	2020 £
In respect of:			
Stocks	17	92,824	82,830
Recognised in:			
Cost of sales		92,824	82,830

13 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2021 and 31 December 2021	410,088
Amortisation and impairment	
At 1 January 2021	82,018
Amortisation charged for the year	82,018
At 31 December 2021	164,036
Carrying amount	
At 31 December 2021	246,052
At 31 December 2020	328,070

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

14 Tangible fixed assets

	Land and buildings Freehold	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 January 2021	4,762,014	7,795,317	1,452,001	46,787	14,056,119
Additions	128,385	101,485	94,771	-	324,641
Disposals	-	-	(22,715)	(32,544)	(55,259)
At 31 December 2021	4,890,399	7,896,802	1,524,057	14,243	14,325,501
Depreciation and impairment					
At 1 January 2021	201,219	5,941,594	1,009,041	43,517	7,195,371
Depreciation charged in the year	96,901	380,254	73,992	433	551,580
Eliminated in respect of disposals	-	-	-	(31,814)	(31,814)
At 31 December 2021	298,120	6,321,848	1,083,033	12,136	7,715,137
Carrying amount					
At 31 December 2021	4,592,279	1,574,954	441,024	2,107	6,610,364
At 31 December 2020	4,560,795	1,853,723	442,960	3,270	6,860,748

The carrying value of land and buildings comprises:

	2021 £	2020 £
Freehold	4,587,080	4,560,795

15 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	16	3,166,845	3,166,845

16 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

16 Subsidiaries

(Continued)

Name of undertaking	Address	Class of shares held	% Held Direct
Allen Industrial Limited	4	Ordinary Shares	100.00
Allen Wuxi CV Parts Co Limited	1	Ordinary Shares	100.00
Allmark (NI) Limited	2	Ordinary Shares	100.00
PACO Allen auto Private Limited	3	Compulsory Convertible Preference shares	100.00
PACO Allen auto Private Limited	3	Ordinary Shares	100.00
Polydynamics Limited	4	Ordinary Shares	100.00

Registered office addresses (all UK unless otherwise indicated):

- Unit 7, Xiangnan Rd, Shuofang Town, Wuxi New District, China
- Unit 7d, Springhill Road, Carbane Industrial Estate, Newry, BT35 7DF
- 224, A.J.C.Bose Road, Krishna Building, 9th Floor, Room 902, Kolkata, India 700016
- Unit 1, Royal Welch Avenue, Bodelwyddan, Rhyl, Wales, LL18 5TQ

17 Stocks

	2021 £	2020 £
Raw materials and consumables	6,907,547	6,088,663
Work in progress	1,602,646	1,486,127
Finished goods and goods for resale	2,120,708	2,241,815
	<u>10,630,901</u>	<u>9,816,605</u>

18 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	3,985,332	4,739,101
Amounts owed by group undertakings	17,403,257	18,446,880
Other debtors	226,915	663,447
Prepayments and accrued income	199,313	305,793
	<u>21,814,817</u>	<u>24,155,221</u>

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

18 Debtors (Continued)

	2021 £	2020 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	896,806	1,182,594
Deferred tax asset (note 22)	1,321,615	-
	<u>2,218,421</u>	<u>1,182,594</u>
Total debtors	<u>24,033,238</u>	<u>25,337,815</u>

19 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	21	5,201,001	2,919,360
Payments received on account		393,875	-
Trade creditors		5,661,786	7,455,623
Amounts owed to group undertakings		8,578,677	8,305,525
Taxation and social security		382,212	333,648
Government grants	23	145,472	181,840
Dividends payable		526,785	525,000
Other creditors		150,467	62,186
Accruals and deferred income		570,409	1,161,600
		<u>21,610,684</u>	<u>20,944,782</u>

20 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	21	<u>207,965</u>	<u>676,686</u>

21 Loans and overdrafts

	2021 £	2020 £
Bank loans	627,780	1,125,986
Bank overdrafts	4,781,186	2,470,060
	<u>5,408,966</u>	<u>3,596,046</u>
Payable within one year	5,201,001	2,919,360
Payable after one year	<u>207,965</u>	<u>676,686</u>

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

21 Loans and overdrafts

(Continued)

The bank loans and overdrafts are not secured by any fixed charges.

The loan facility utilised was Euro 2,000,000. It is repayable in sixteen equal quarterly instalments of Euro 125,000. The first instalment was paid on 30 July 2019. The last instalment will become due on the termination date of 30 April 2023. The company may not re-borrow any part of the facility which is repaid. The interest rate payable on the loan is 1.3%.

22 Deferred taxation

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

	Liabilities 2021 £	Liabilities 2020 £	Assets 2021 £	Assets 2020 £
Balances:				
Accelerated capital allowances	256,179	278,801	-	-
Tax losses	-	(278,801)	1,321,615	-
	<u>256,179</u>	<u>-</u>	<u>1,321,615</u>	<u>-</u>
Movements in the year:				2021 £
Liability at 1 January 2021				-
Credit to profit or loss				(1,065,436)
Asset at 31 December 2021				<u>(1,065,436)</u>

23 Government grants

	2021 £	2020 £
Arising from government grants	<u>727,359</u>	<u>909,199</u>
Deferred income is included in the financial statements as follows:		
Current liabilities	145,472	181,840
Shown as deferred income on the face of the balance sheet	<u>581,887</u>	<u>727,359</u>
	<u>727,359</u>	<u>909,199</u>

The company have five government grants included in creditors. They relate to grants received from the welsh government in 2012, 2013, 2015, 2016 and 2019 at contributions of £350,000, £400,000, £300,000, £180,000 and £938,000. Grants towards capital expenditure are released to the profit and loss account over the expected useful life of the asset.

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

24 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	241,908	214,360

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.

25 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
Ordinary Shares of £1 each	11,933	11,933	11,933	11,933

The company has one class of ordinary shares which carry full voting, dividend and capital rights.

26 Share premium account

Consideration received for shares issued above their normal value net of transaction costs.

27 Capital redemption reserve

The nominal value of shares repurchased and still held at the end of the reporting period.

28 Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

29 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:

	2021 £	2020 £
Within one year	78,359	27,433
Between two and five years	96,971	58,776
In over five years	-	490
	175,330	86,699

30 Related party transactions

Reflexallen Srl have provided a guarantee for the bank loan. The amount of the loan was Euro 2,000,000 and is due to be repaid by 30 April 2023.

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

30 Related party transactions

(Continued)

The directors have taken advantage of the exemption in accordance with FRS102 not to disclose related party transactions with companies included within the Reflex s.r.l. group accounts.

31 Ultimate controlling party

The parent company is Allmark Limited, a company incorporated in England & Wales, who is owned by Reflexallen S.p.A. , a company incorporated in Italy.

The majority shareholder of Reflexallen S.p.A. is Finite s.r.l. incorporated in Italy. This is considered to be the ultimate controlling company. Copies of the group accounts are available at the company's registered office, Via Luigi Valdrighi 101/2, Modena, Italy 41124.

REFLEXALLEN UK LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020
	£	£	£	£
Turnover				
Sales		4,569,442		4,193,958
Scrap Sales		50,850		22,526
Sales - Europe		40,488,264		31,170,804
Sales - Rest of world		3,866,530		1,920,320
Other operating income receivable		122,456		145,135
		<u>49,097,542</u>		<u>37,452,743</u>
Cost of sales				
Opening stock of finished goods	9,816,605		7,676,479	
Raw materials purchases	32,190,016		25,749,820	
Write down of stock	92,824		82,830	
Closing stock of finished goods	(10,630,901)		(9,816,605)	
Wages and salaries	5,984,586		4,972,117	
Social security costs	473,542		392,186	
Temporary staff costs	5,467,331		2,317,563	
Subcontract labour	166,280		86,015	
Staff pension costs defined contribution	162,172		153,879	
Equipment repairs	312,986		251,989	
Profit or loss on sale of tangible assets (non exceptional)	22,715		-	
		<u>(44,058,156)</u>		<u>(31,866,273)</u>
Gross profit	10.26%	5,039,386	14.92%	5,586,470
Other operating income				
Government grants receivable and released	181,840		227,300	
Coronavirus job retention scheme grant	-		563,877	
Coronavirus exceptional support	-		310,000	
Other operating income	25,791		11,467	
		<u>207,631</u>		<u>1,112,644</u>
Distribution costs	3,017,760		1,228,330	
Administrative expenses				
Wages and salaries	1,549,186		1,635,469	
Social security costs	151,381		187,700	
Staff recruitment costs	64,635		32,347	
Staff welfare	50,079		46,103	
Staff training	52,980		59,057	
Staff pension costs defined contribution	50,084		58,681	
Directors' remuneration	150,555		30,300	
Directors' social security costs	18,691		3,135	
Directors' pension costs - defined contribution scheme	29,652		1,800	
Commissions payable	-		5,278	
Management charge	1,289,211		1,132,739	
Rent re operating leases	33,412		21,542	
Rates	266,338		362,105	

REFLEXALLEN UK LIMITED

DETAILED TRADING AND PROFIT AND LOSS ACCOUNT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

		2021		2020
	£	£	£	£
Security costs	(1,099)		704	
Cleaning	118,347		78,916	
Waste disposal	103,083		74,223	
Power, light and heat	788,645		599,442	
Property repairs and maintenance	41,981		305,260	
Premises insurance	192,296		187,401	
Computer running costs	(231)		36,409	
Hire of equipment (not operating lease)	131,645		94,614	
Leasing - plant and machinery	115,404		103,757	
Leasing - motor vehicles	12,044		20,012	
Motor running expenses	8,482		40,072	
Travelling expenses	20,986		44,941	
Legal and professional fees	65,490		58,062	
Consultancy fees	21,891		25,102	
Accountancy	4,895		4,795	
Audit fees	19,105		23,996	
Charitable donations	-		1,000	
Bank charges	27,891		22,949	
Bad and doubtful debts	18,577		674,629	
Printing and stationery	85,432		44,207	
Books, periodicals, reference materials	2,959		17,308	
Advertising	-		1,415	
Telecommunications	22,603		29,729	
Entertaining	133		-	
Research and development costs	74,276		52,060	
Sundry expenses	101,583		54,684	
Amortisation	82,018		82,018	
Depreciation	551,580		468,078	
Profit or loss on sale of tangible assets (non exceptional)	(10,050)		(873,445)	
Profit or loss on foreign exchange	84,644		243,452	
		(6,390,814)		(6,092,046)
Operating loss		(4,161,557)		(621,262)
Investment revenues				
Interest receivable from group companies	39,202		51,636	
Dividends receivable from group companies	1,619,998		1,308,155	
		1,659,200		1,359,791
Interest payable and similar expenses				
Bank interest on loans and overdrafts	147,083		145,789	
Interest on overdue taxation - not financial liabilities	-		17,015	
		(147,083)		(162,804)
(Loss)/profit before taxation	5.40%	(2,649,440)	1.54%	575,725

- FINLITE SRL -

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**Independent auditors' report
on the consolidated financial statements for the year
ended at December 31st, 2021**

Baker Tilly Revisa S.p.A.
Società di Revisione e
Organizzazione Contabile
40141 Bologna - Italy
Via Siepelunga 59

T: +39 051 267141
F: +39 051 267547

PEC: bakertillyrevisa@pec.it
www.bakertilly.it

INDEPENDENT AUDITOR'S REPORT

IN ACCORDANCE WITH ART. 14 OF D.LGS 27.1.2010, N.39

To the Shareholder of
FINLITE SRL

AUDITOR'S REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

Opinion

We have audited the consolidated financial statements of Finlite Srl and the subsidiaries thereof (the Group), consisting of the balance sheet as of 31st December 2021, the profit and loss account, the cash flow statement for the year ending on the same date, and the notes to the financial statements.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of December 31st 2021 and of the result of its operations for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

Basis for Opinion

We have performed our audit in accordance with International Standards on Auditing (ISA Italy). Our responsibilities, in accordance with these standards, are further described in the section of this report headed "Auditing firm's responsibilities when auditing the consolidated financial statements". In compliance with the rules and standards on ethics and independence applicable, in the Italian legal system, to financial statement auditing, we are independent from the company Finlite Srl. (the Company). We feel we have acquired sufficient, appropriate audit evidence on which to base our opinion.

Responsibilities of the Sole Director and the Board of Statutory Auditors for the Consolidated Financial Statements

The Sole Director is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with the Italian laws governing the criteria for their preparation and, in the terms prescribed by law, for such internal control as he determines is necessary to

enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Sole Director is responsible for assessing the Company's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the Sole Director uses the going concern basis of accounting unless he either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 International Standards on Auditing (ISA Italia) 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 the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional skepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Sole Director;
- We concluded on the appropriateness of the Sole Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

REPORT ON OTHER LEGAL AND REGULATORY PROVISIONS

Opinion expressed pursuant to Article 14, section 2, of Italian Legislative Decree n. 39/10

The sole director of Finlite Srl. is responsible for preparing the report on the management of the group as of 31st December 2021, including its consistency with the related consolidated financial statements and its compliance with the law.

We have performed the procedures envisaged by auditing standard n. 720B (ISA Italy) in order to express, as required by law, an opinion on the consistency of the management report with the consolidated financial statements prepared by Group as of 31st December 2021, as well as the report about the compliance with legal provisions, in addition to issuing a statement in the event of significant errors.

In our opinion, the management report is consistent with the consolidated financial statements prepared by Group for the year ending 31st December 2021 and is arranged in compliance with legal provisions.

With reference to the statement pursuant to Article 14, section 2, subsection e) of Italian Legislative Decree n. 39/2010, issued on the basis of our knowledge and understanding of the company and its situation acquired during the audit, we have nothing to report.

Bologna, 3rd August 2022

Baker Tilly Revisa S.p.A.

Dionigi Crisigiovanni
Partner

This report has been translated into English from the Italian original solely for the convenience of international readers

FINLITE SRL**Consolidated financial statements to 31-12-2021**

Name and id code	
Company site	VIA VALDRIGHI 101/2 - 41124 - MODENA - MO
Fiscal code	02736760360
Registration number	02736760360 MO 326502
VAT number	02736760360
Share capital Euro	10.000 f.p.
Legal form	SOCIETA' A RESPONSABILITA' LIMITATA
Activity Code (ATECO)	642000
Company being wound up	no
Company with a single shareholder	yes
Company subject to the management and coordination of others	no
Belonging to a group	yes
Name of the controlling entity	FINLITE SRL
Country of the controlling entity	ITALIA

Consolidated balance sheet

	31-12-2021	31-12-2020
Balance sheet (mandatory scheme)		
Assets		
B) Fixed assets		
I - Intangible fixed assets		
1) start-up and expansion costs		19.826
2) Development costs	-	0
3) industrial patents and intellectual property rights	108.832	209.394
4) concessions, licenses, trademarks and similar rights	35.766	69.090
5) goodwill	1.878.666	0
6) assets in process of formation and advances	9.651	0
7) other	622.431	664.960
Total intangible fixed assets	2.655.346	963.270
II - Tangible fixed assets		
1) land and buildings	13.811.808	15.633.812
2) plant and machinery	4.552.375	4.439.405
3) industrial and commercial equipment	1.154.494	1.490.292
4) other assets	280.758	446.410
5) assets under construction and payments on account	748.561	18.353
Total tangible fixed assets	20.547.996	22.028.272
III - Financial fixed assets		
2) receivables due from		
d-b) due from others		
due within the following year	676.595	3.700.963
Total receivables due from third parties	676.595	3.700.963
Total receivables	676.595	3.700.963
3) other securities	-	641.286
Total financial fixed assets	676.595	4.342.249
Total fixed assets (B)	23.879.937	27.333.791
C) Current assets		
I - Inventories		
1) raw, ancillary and consumable materials	13.148.467	9.192.345
2) work in progress and semi-finished products	3.414.231	4.056.508
3) contract work in progress	0	
4) finished products and goods for resale	6.457.260	4.709.542
Total inventories	23.019.958	17.958.395
II - Receivables		
1) trade accounts		
due within the following year	15.439.832	18.223.560
Total trade accounts	15.439.832	18.223.560
2) due from subsidiary companies		
due within the following year	3.084.135	
Total receivables due from subsidiary companies	3.084.135	
5-b) tax receivables		
due within the following year	1.105.731	912.636
Total receivables due from tax authorities	1.105.731	912.636
5-c) prepaid tax	1.726.697	319.927
5-d) other receivables		

due within the following year	521.712	559.324
Total receivables due from third parties	521.712	559.324
Total receivables	21.878.107	20.015.447
IV - Liquid funds		
1) bank and post office deposits	1.853.803	7.724.657
2) cheques	0	-
3) cash and equivalents on hand	11.236	12.520
Total liquid funds	1.865.039	7.737.177
Total current assets (C)	46.763.104	45.711.019
D) Accrued income and prepayments	409.566	534.631
Total assets	71.052.607	73.579.441
Liabilities and shareholders' equity		
A) Shareholders' equity		
I - Share capital	10.000	10.000
IV - Legal reserve	2.000	2.000
VI - Other reserves, indicated separately		
Translation difference reserve	1.085.939	4
Miscellaneous other reserves	(1)	4
Total other reserves	1.085.938	-
VIII - Retained earnings (accumulated losses)	23.281.997	22.401.023
IX - Net profit (loss) for the year	(1.858.457)	840.771
Total group shareholders' equity	22.521.478	23.253.798
Minority shareholders' equity		
Third party capital and reserves	798.457	2.846.380
Minority shareholders' profit (loss)	149.972	11.010
Total minority shareholders' equity	948.429	2.857.390
Total consolidated equity	23.469.907	26.111.188
B) Reserves for contingencies and other charges		
2) taxation	242.841	825.375
4) other	559.583	701.379
Total reserves for contingencies and other charges	802.424	1.526.754
Total reserve for severance indemnities (TFR)	693.043	1.455.906
D) Payables		
1) bonds		
due within the following year	2.000.000	2.000.000
Total bonds	2.000.000	2.000.000
4) due to banks		
due within the following year	9.121.162	8.257.392
due beyond the following year	8.595.128	8.518.329
Total payables due to banks	17.716.290	16.775.721
5) due to other providers of finance		
due within the following year	1.126.260	-
Total payables due to other providers of finance	1.126.260	0
6) advances		
due within the following year	507.852	52.439
Total advances	507.852	52.439
7) trade accounts		
due within the following year	15.993.543	16.994.194
Total trade accounts	15.993.543	16.994.194
9) due to subsidiary companies		
due within the following year	2.542.892	-

Total payables due to subsidiary companies	2.542.892	
12) due to tax authorities		
due within the following year	1.987.369	4.182.330
Total payables due to tax authorities	1.987.369	4.182.330
13) due to social security and welfare institutions		
due within the following year	383.751	311.760
Total payables due to social security and welfare institutions	383.751	311.760
14) other payables		
due within the following year	3.061.499	2.527.833
Total other payables	3.061.499	2.527.833
Total payables (D)	45.319.456	42.844.277
E) Accrued liabilities and deferred income	767.777	1.641.316
Total liabilities and shareholders' equity	71.052.607	73.579.441

Consolidated income statement

	31-12-2021	31-12-2020
Income statement (value and cost of production)		
A) Value of production		
1) Revenues from sales and services	101.219.584	79.592.130
2) Change in work in progress, semi-finished and finished products	1.294.713	(566.818)
5) Other income and revenues		
other	1.359.560	3.018.478
Total Other income and revenues	1.359.560	3.018.478
Total value of production	103.873.857	82.043.790
B) Costs of production		
6) Raw, ancillary and consumable materials and goods for resale	65.847.018	42.597.135
7) Services	20.313.257	13.710.359
8) Use of third party assets	1.102.072	1.441.163
9) personnel		
a) wages and salaries	14.582.677	12.945.958
b) related salaries	2.199.961	2.066.129
c) severance	224.705	231.160
e) other costs	1.873.021	1.154.981
Total payroll and related costs	18.880.364	16.398.228
10) depreciation, amortisation and write downs		
a) amortisation of intangible fixed assets	379.534	414.050
b) depreciation of tangible fixed assets	1.585.793	1.620.497
d) write-downs of accounts included among current assets	62.533	587.792
Total Amortisation, depreciation and write-downs	2.027.860	2.622.339
11) Changes in inventories of raw, ancillary and consumable materials and goods for resale	(3.481.015)	2.033.756
14) Other operating expenses	613.857	737.248
Total cost of production	105.303.413	79.540.228
Difference between value and cost of production (A - B)	(1.429.556)	2.503.562
C) Financial income and charges		
16) other financial income		
d) income other than the above		
other	85.808	67.681
Total income other than the above	85.808	67.681
Total other financial income	85.808	67.681
17) Interest and other financial expense		
other	531.364	709.464
Total interest and other financial expense	531.364	709.464
17-bis) Currency gains and losses	(133.026)	(420.742)
Total financial income and expense (15 + 16 - 17 + - 17-bis)	(578.582)	(1.062.525)
Pre-tax result (A - B + - C + - D)	(2.008.138)	1.441.037
20) Income tax for the year, current, deferred and prepaid		
Current taxes	960.204	622.540
deferred and prepaid tax	(1.220.569)	(33.284)
Income (expense) arising from the adoption of the fiscal consolidated system/fiscal transparency	39.288	-
Total taxes on the income for the year	(299.653)	589.256
21) Consolidated profit (loss) for the year	(1.708.485)	851.781
Result related to the group	(1.858.457)	840.771

Result related to minority shareholders	149.972	11.010
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Consolidated financial statement, indirect method

	31-12-2021	31-12-2020
Financial statement: indirect method		
A) Cash flows from current activities (indirect method)		
Profit (loss) for the year	(1.708.485)	851.781
Income tax	(299.653)	589.256
Payable (receivable) interest	445.556	-
1) Profit (loss) for the year before income tax, interest, dividends and capital gains/losses from conveyances.	(1.562.582)	1.441.037
Adjustments to non monetary items that were not offset in the net working capital		
Allocations to preserves	-	(132.829)
Fixed asset depreciation/amortisation	1.965.327	2.034.548
Adjustments to financial assets and liabilities for derivative financial instruments that do not involve monetary transactions	-	(1.597.381)
total adjustments for non-monetary items that were not offset in the net working capital	1.965.327	304.338
2) Cash flow before changing net working capital	402.745	1.745.375
Changes to the net working capital		
Decrease/(increase) in inventory	(5.061.563)	2.600.574
Decrease/(increase) in payables to customers	(300.407)	(1.499.850)
Increase/(decrease) in trade payables	1.542.241	4.507.178
Increase/(decrease) from prepayments and accrued income	125.065	(259.479)
Increase/(decrease) from accruals and deferred income	(873.539)	-
Other decreases/(other increases) in net working capital	(2.696.144)	366.274
Total changes to net working capital	(7.264.347)	5.714.698
3) Cash flow after changes to net working capital	(6.861.602)	7.460.073
Other adjustments		
Interest received/(paid)	(445.556)	-
(Income tax paid)	299.653	(589.256)
(Use of reserves)	(1.487.193)	-
Total other adjustments	(1.633.096)	(589.256)
Cash flow from current activities	(8.494.698)	6.870.817
B) Cash flows from investments		
Tangible fixed assets		
(Investments)	(105.517)	-
Disposals	-	30.414
Intangible fixed assets		
(Investments)	(190.623)	(253.016)
Financial fixed assets		
(Investments)	(143.208)	(562.911)
Cash flows from investments (B)	(439.348)	(785.513)
C) Cash flows from financing activities		
Loan capital		
Increase/(decrease) in short term bank loans	1.931.094	-
(Loan repayments)	-	(4.115.840)
Equity		
(Dividends and advances on dividends paid)	(180.000)	-
Cash flows from financing activities (C)	1.751.094	(4.115.840)
Increase (decrease) in liquid assets (A ± B ± C)	(7.182.952)	1.969.464
Exchange rate effect on liquid assets	1.310.814	-
Liquid assets at the start of the year		

Bank and post office deposits	7.724.657	5.754.826
Cash and valuables in hand	12.520	12.887
Total liquid assets at the start of the year	7.737.177	5.767.713
Liquid assets at the end of the year		
Bank and post office deposits	1.853.803	7.724.657
Loans	0	-
Cash and valuables in hand	11.236	12.520
Total liquid assets at the end of the year	1.865.039	7.737.177