

REFLEXALLEN UK LIMITED

**Company Registration Number:
01626825 (England and Wales)**

Unaudited statutory accounts for the year ended 31 December 2022

Period of accounts

Start date: 1 January 2022

End date: 31 December 2022

REFLEXALLEN UK LIMITED

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REFLEXALLEN UK LIMITED

Directors' report period ended 31 December 2022

The directors present their report with the financial statements of the company for the period ended 31 December 2022

Principal activities of the company

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.

Company policy on disabled employees

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.

Directors

The directors shown below have held office during the whole of the period from
1 January 2022 to 31 December 2022

RENZO GIBELLINI
JAMES REECE

The above report has been prepared in accordance with the special provisions in part 15 of the Companies Act 2006

This report was approved by the board of directors on
18 July 2023

And signed on behalf of the board by:

Name: RENZO GIBELLINI
Status: Director

REFLEXALLEN UK LIMITED

Profit And Loss Account for the Period Ended 31 December 2022

	2022	2021
	£	£
Turnover:	52,264,664	49,097,542
Cost of sales:	(42,016,860)	(44,058,156)
Gross profit(or loss):	10,247,804	5,039,386
Distribution costs:	(1,513,136)	(3,017,760)
Administrative expenses:	(6,382,530)	(6,390,814)
Other operating income:	154,522	207,631
Operating profit(or loss):	2,506,660	(4,161,557)
Interest receivable and similar income:	1,784,205	1,659,200
Interest payable and similar charges:	(219,293)	(147,083)
Profit(or loss) before tax:	4,071,572	(2,649,440)
Tax:	(226,249)	1,065,436
Profit(or loss) for the financial year:	3,845,323	(1,584,004)

REFLEXALLEN UK LIMITED

Balance sheet

As at 31 December 2022

	<i>Notes</i>	<i>2022</i>	<i>2021</i>
		<i>£</i>	<i>£</i>
Fixed assets			
Intangible assets:	3	164,034	246,052
Tangible assets:	4	6,385,725	6,610,364
Investments:	5	3,166,845	3,166,845
Total fixed assets:		9,716,604	10,023,261
Current assets			
Stocks:	6	10,943,117	10,630,901
Debtors:	7	25,223,519	24,033,238
Cash at bank and in hand:		314,546	51,293
Total current assets:		36,481,182	34,715,432
Creditors: amounts falling due within one year:	8	(21,420,860)	(21,610,684)
Net current assets (liabilities):		15,060,322	13,104,748
Total assets less current liabilities:		24,776,926	23,128,009
Creditors: amounts falling due after more than one year:	9		(207,965)
Provision for liabilities:		(263,929)	(256,179)
Accruals and deferred income:		(465,510)	(581,887)
Total net assets (liabilities):		24,047,487	22,081,978
Capital and reserves			
Called up share capital:		11,933	11,933
Share premium account:		244,930	244,930
Other reserves:		1,360	1,360
Profit and loss account:		23,789,264	21,823,755
Total Shareholders' funds:		24,047,487	22,081,978

The notes form part of these financial statements

REFLEXALLEN UK LIMITED

Balance sheet statements

For the year ending 31 December 2022 the company was entitled to exemption under section 477 of the Companies Act 2006 relating to small companies.

The members have not required the company to obtain an audit in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

**This report was approved by the board of directors on 18 July 2023
and signed on behalf of the board by:**

Name: RENZO GIBELLINI
Status: Director

The notes form part of these financial statements

REFLEXALLEN UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2022

1. Accounting policies

Basis of measurement and preparation

These financial statements have been prepared in accordance with the provisions of Section 1A (Small Entities) of Financial Reporting Standard 102

Turnover policy

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.

Tangible fixed assets depreciation policy

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.

Intangible fixed assets amortisation policy

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.

Other accounting policies

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. 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. These financial statements do not include any adjustment that might be required if the application of the going concern basis proves to be inappropriate.

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

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.

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. 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.

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.

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.

Financial instruments The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

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

Impairment of financial assets Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss. If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

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

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.

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

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.

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.

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. Retirement benefits Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due. Leases Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease's asset are consumed. 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. Foreign exchange Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

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Notes to the Financial Statements for the Period Ended 31 December 2022

2. Employees

	<i>2022</i>	<i>2021</i>
Average number of employees during the period	326	309

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Notes to the Financial Statements

for the Period Ended 31 December 2022

3. Intangible assets

	Goodwill	Other	Total
Cost	£	£	£
At 1 January 2022	410,088		410,088
Additions			
Disposals			
Revaluations			
Transfers			
At 31 December 2022	<u>410,088</u>		<u>410,088</u>
Amortisation			
At 1 January 2022	164,036		164,036
Charge for year	82,018		82,018
On disposals			
Other adjustments			
At 31 December 2022	<u>246,054</u>		<u>246,054</u>
Net book value			
At 31 December 2022	<u>164,034</u>		<u>164,034</u>
At 31 December 2021	<u>246,052</u>		<u>246,052</u>

REFLEXALLEN UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2022

4. Tangible assets

	Land & buildings	Plant & machinery	Fixtures & fittings	Office equipment	Motor vehicles	Total
Cost	£	£	£	£	£	£
At 1 January 2022	4,890,399	7,896,802	1,524,057		14,243	14,325,501
Additions	12,471	115,735	146,867			275,073
Disposals						
Revaluations						
Transfers						
At 31 December 2022	4,902,870	8,012,537	1,670,924		14,243	14,600,574
Depreciation						
At 1 January 2022	298,120	6,321,848	1,083,033		12,136	7,715,137
Charge for year	97,975	320,274	80,768		695	499,712
On disposals						
Other adjustments						
At 31 December 2022	396,095	6,642,122	1,163,801		12,831	8,214,849
Net book value						
At 31 December 2022	4,506,775	1,370,415	507,123		1,412	6,385,725
At 31 December 2021	4,592,279	1,574,954	441,024		2,107	6,610,364

REFLEXALLEN UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2022

5. Fixed assets investments note

Subsidiaries Details of the company's subsidiaries at 31 December 2022 are as follows:

Name of undertaking	Address	Class of %
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):

1 Unit 7, Xiangnan Rd, Shuofang Town, Wuxi New District, China	2 Unit 7d, Springhill Road, Carbane Industrial Estate, Newry, BT35 7DF	3 224, A.J.C. Bose Road, Krishna Building, 9th Floor, Room 902, Kolkata, India 700016	4 Unit 1, Royal Welch Avenue, Bodelwyddan, Rhyl, Wales, LL18 5TQ
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Notes to the Financial Statements for the Period Ended 31 December 2022

6. Stocks

	<i>2022</i>	<i>2021</i>
	£	£
Stocks	10,943,117	10,630,901
Total	<u>10,943,117</u>	<u>10,630,901</u>

REFLEXALLEN UK LIMITED

Notes to the Financial Statements for the Period Ended 31 December 2022

7. Debtors

	<i>2022</i>	<i>2021</i>
	£	£
Trade debtors	23,731,221	23,607,010
Prepayments and accrued income	1,092,434	199,313
Other debtors	399,864	226,915
Total	<u>25,223,519</u>	<u>24,033,238</u>
Debtors due after more than one year:	1,535,363	2,218,421

REFLEXALLEN UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2022

8. Creditors: amounts falling due within one year note

	2022	2021
	£	£
Bank loans and overdrafts	2,985,950	5,201,001
Trade creditors	16,695,230	14,240,463
Taxation and social security	151,910	382,212
Accruals and deferred income	817,880	570,409
Other creditors	769,890	1,216,599
Total	<u>21,420,860</u>	<u>21,610,684</u>

Loans and overdrafts (Continued)- 30 -The bank loans and overdrafts are not secured by any fixed charges. The company has 2 loan facilities. The first loan is for Euros 250,000, has an interest rate of 1.66% and matures on 28 April 2023. The second loan is for Euros 700,000, has an interest rate of 4.15% and matures on 22 March 2023. Government grants 2022 2021 £ Arising from government grants 581,887 727,359 Deferred income is included in the financial statements as follows: Current liabilities 116,377 145,472 Shown as deferred income on the face of the balance sheet 465,510 581,887 581,887 727,359 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

for the Period Ended 31 December 2022

9. Creditors: amounts falling due after more than one year note

	2021
	£
Bank loans and overdrafts	207,965
Total	<u>207,965</u>

Loans and overdrafts (Continued)- 30 -The bank loans and overdrafts are not secured by any fixed charges. The company has 2 loan facilities. The first loan is for Euros 250,000, has an interest rate of 1.66% and matures on 28 April 2023. The second loan is for Euros 700,000, has an interest rate of 4.15% and matures on 22 March 2023.

REFLEXALLEN UK LIMITED

Notes to the Financial Statements

for the Period Ended 31 December 2022

10. Financial Commitments

Operating lease commitmentsLesseeAt the reporting end date the company had outstanding commitments for future minimum lease paymentsunder non-cancellable operating leases, which fall due as follows:2022 2021£ £Within one year 147,791 78,359Between two and five years 100,728 96,971248,519 175,330

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.