

Company Registration No. 01626825 (England and Wales)

REFLEXALLEN UK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020

REFLEXALLEN UK LIMITED

COMPANY INFORMATION

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

REFLEXALLEN UK LIMITED

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REFLEXALLEN UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the year ended 31 December 2020.

Fair review of the business

The 2020 turnover was £37.5 million which has decreased from the 2019 turnover of £50.3 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 retention of customers, securing raw materials, and in terms of cash, trade receivables and trade payables (financial instruments) our currency, interest, credit and liquidity. The board reviews and agrees policies for the prudent management of these risks as follows:

Currency risk

The company's foreign turnover is mainly in Europe and conducted in Euro. Input costs for the materials are also in Euro and hence the transaction risk is limited. Variances affecting operational activities in this regard are reflected in operating costs or in the cost of sales in the profit and loss account in the years in which they arise.

Interest rate risk

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

Liquidity risk

The company's policy is to ensure that sufficient resources are available from cash balances to ensure all obligations can be met when they fall 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 continually being monitored.

Key performance indicators

The company has established key performance indicators to measure the progress of the company on achieving both its business objectives and strategies. Performance is reviewed at monthly intervals. The principal 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 2020

On behalf of the board

Mr R Gibellini

Director

29 June 2021

REFLEXALLEN UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present their annual report and financial statements for the year ended 31 December 2020.

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.

No ordinary dividends were paid. 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

In 2020 the company continued its programme of developments with customers, particularly with regard to different structures of tube for air brakes. During 2020 the company has continued to invest a considerable amount of resources to support the development of new plastic materials in the pneumatic division and in the fluid power division.

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 2020

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

The company is encouraged by the activity levels in the commercial vehicle market particularly at OEM. The aftermarket business, after big investments in the sales network, and in new products, is showing signs of growth. The company continues to develop in the higher added value 'fluid power' and has been awarded contracts and several OEMs. It is anticipated that further growth will be achieved in 2021 in this area. The commercial vehicle market remains fiercely competitive but with its spread of geographical manufacturing facilities, its expertise and reputation with the customer base, the company will continue to offer cost-effective solutions to its customers.

The companies moving into the car passenger market and has begun supplying high-end car producers in a view of future inroads into this market.

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 2020

	2020 kWh	2019 kWh
<i>Energy consumption</i>		
Aggregate of energy consumption in the year		
- Gas combustion	4,308,307	-
- Fuel consumed for transport	102,078	-
- Electricity purchased	3,939,663	-
	<u>8,350,048</u>	<u>-</u>
	2020 metric tonnes	2019 metric tonnes
<i>Emissions of CO2 equivalent</i>		
Scope 1 - direct emissions		
- Gas combustion	792.20	-
- Fuel consumed for owned transport	24.30	-
	<u>816.50</u>	<u>-</u>
Scope 2 - indirect emissions		
- Electricity purchased	918.50	-
Scope 3 - other indirect emissions		
- Fuel consumed for transport not owned by the	79.00	-
	<u>1,814.00</u>	<u>-</u>
Total gross emissions		
	<u>1,814.00</u>	<u>-</u>
<i>Intensity ratio</i>		
Tonnes CO2e per million of units produced	26.420	
	<u>26.420</u>	<u></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 2020, ReflexAllen UK Limited has helped to minimise energy consumption by:

- Including timers on the heating equipment in the offices to minimise the heating consumption outside of working hours.
- Replacing 100% of the lighting system with LEDs in the offices and throughout the manufacturing plant, including presence sensors in the offices.
- Installing interlocks on "Dispatch" doors to ensure they are closed when there is no activity in order to minimise heat losses.
- Reducing the number of company vehicles and replacing the ones for the sales team with electric vehicles.
- Replacing the spray cooling in ovens to chilled baths, which is a more energy-efficient method.

REFLEXALLEN UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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.

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

29 June 2021

REFLEXALLEN UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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 MEMBERS OF REFLEXALLEN UK LIMITED

Opinion

We have audited the revised financial statements of ReflexAllen UK Limited (the 'company') for the year ended 31 December 2020 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). These revised financial statements replace the original financial statements approved by the directors on 29 June 2021.

The revised financial statements have been prepared in accordance with The Companies (Revision of Defective Accounts and Reports) Regulations 2008 and as such do not consider events which have taken place after the date on which the original financial statements were approved.

In our opinion the revised financial statements:

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

We also draw attention to note 32 of the revised financial statements, which describes the reason for the revision of the accounts. 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 MEMBERS 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 and the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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.

REFLEXALLEN UK LIMITED

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

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 known 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 MEMBERS OF REFLEXALLEN UK LIMITED

Use of our report

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

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

26 August 2021

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 2020

	Notes	2020 £	2019 £
Turnover	3	37,452,743	50,315,722
Cost of sales		(31,866,273)	(43,332,635)
Gross profit		5,586,470	6,983,087
Distribution costs		(1,228,330)	(877,011)
Administrative expenses		(6,092,046)	(5,995,449)
Other operating income		1,112,644	179,894
Operating (loss)/profit	4	(621,262)	290,521
Interest receivable and similar income	8	1,359,791	2,543,905
Interest payable and similar expenses	9	(162,804)	(184,901)
Amounts written off investments	10	-	(20,198)
Profit before taxation		575,725	2,629,327
Tax on profit	11	329,780	219,121
Profit for the financial year		905,505	2,848,448

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 2020

	Notes	2020 £	£	2019 £	£
Fixed assets					
Goodwill	14	328,070		-	
Tangible assets	15	6,860,748		6,432,369	
Investments	16	3,166,845		3,166,845	
		10,355,663		9,599,214	
Current assets					
Stocks	18	9,816,605		7,655,478	
Debtors falling due after more than one year	19	1,182,594		1,521,501	
Debtors falling due within one year	19	24,155,221		22,041,638	
Cash at bank and in hand		2,484,645		785,031	
		37,639,065		32,003,648	
Creditors: amounts falling due within one year	20	(20,944,782)		(14,748,014)	
Net current assets		16,694,283		17,255,634	
Total assets less current liabilities		27,049,946		26,854,848	
Creditors: amounts falling due after more than one year	21	(676,686)		(1,067,656)	
Provisions for liabilities					
Deferred tax liability	23	-		137,597	
				(137,597)	
Deferred grants	24	(727,359)		(909,199)	
Net assets		25,645,901		24,740,396	
Capital and reserves					
Called up share capital	26	11,933		11,933	
Share premium account	27	244,930		244,930	
Capital redemption reserve	28	1,360		1,360	
Profit and loss reserves	29	25,387,678		24,482,173	
Total equity		25,645,901		24,740,396	

REFLEXALLEN UK LIMITED

BALANCE SHEET (CONTINUED)

AS AT 31 DECEMBER 2020

The financial statements were approved by the board of directors and authorised for issue on 29 June 2021 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 2020

	Notes	Share capital £	Share premium account £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2019		11,933	244,930	1,360	22,464,663	22,722,886
Year ended 31 December 2019:						
Profit and total comprehensive income for the year		-	-	-	2,848,448	2,848,448
Dividends	12	-	-	-	(830,938)	(830,938)
Balance at 31 December 2019		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

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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 4 'Statement of Financial Position' – Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment' – Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The company was, at the year end, a wholly-owned subsidiary of another company incorporated in the EEA and in accordance with section 400 of the Companies Act 2006, is not required to produce, and has not published, 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 Reflex s.r.l., a company incorporated in Italy.

The majority shareholder of Reflex s.r.l. 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, Maderia, Italy 41124.

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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 and other sales related taxes. 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. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

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 2020

1 Accounting policies

(Continued)

1.6 Tangible fixed assets

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

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

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, associates and jointly controlled entities 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 2020

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 2020

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 2020

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 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

1.14 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.

1.15 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.

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.16 Retirement benefits

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

1.17 Leases

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

1.18 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.

1.19 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%

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Turnover and other revenue

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

	2020 £	2019 £
Turnover analysed by class of business		
Maufacture of parts for the truck industry	37,452,743	50,315,722
	<u>37,452,743</u>	<u>50,315,722</u>
	2020 £	2019 £
Other significant revenue		
Interest income	51,636	61,920
Dividends received	1,308,155	2,481,985
Grants received	1,101,177	123,000
	<u>2,460,968</u>	<u>2,666,905</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	4,361,620	5,701,194
Europe (EU & non-EU)	31,170,804	40,754,005
Rest of World	1,920,319	3,860,523
	<u>37,452,743</u>	<u>50,315,722</u>

4 Operating (loss)/profit

	2020 £	2019 £
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	243,452	241,972
Research and development costs	841,412	841,412
Government grants	(1,101,177)	(123,000)
Depreciation of owned tangible fixed assets	468,078	375,954
Profit on disposal of tangible fixed assets	(873,445)	-
Amortisation of intangible assets	82,018	-
Impairment of stocks recognised or reversed	82,830	21,002
Operating lease charges	145,311	188,062
	<u>145,311</u>	<u>188,062</u>

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the company	23,996	18,005
Audit of the financial statements of the company's subsidiaries	2,485	-
	<u>26,481</u>	<u>18,005</u>
For other services		
Other assurance services	-	1,400
All other non-audit services	4,795	4,795
	<u>4,795</u>	<u>6,195</u>

6 Employees

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

	2020	2019
	Number	Number
Factory	238	262
Management	11	11
Administration	38	43
Total	<u>287</u>	<u>316</u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	8,955,449	10,736,508
Social security costs	583,021	650,817
Pension costs	214,360	208,014
	<u>9,752,830</u>	<u>11,595,339</u>

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	31,492	37,161
Company pension contributions to defined contribution schemes	1,800	1,800
	<u>33,292</u>	<u>38,961</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

8 Interest receivable and similar income

	2020 £	2019 £
Interest income		
Interest on bank deposits	-	1,206
Interest receivable from group companies	51,636	60,714
	<u>51,636</u>	<u>61,920</u>
Total interest revenue	51,636	61,920
Income from fixed asset investments		
Income from shares in group undertakings	1,308,155	2,481,985
	<u>1,359,791</u>	<u>2,543,905</u>
Total income	1,359,791	2,543,905

9 Interest payable and similar expenses

	2020 £	2019 £
Interest on bank overdrafts and loans	145,789	184,901
Other interest	17,015	-
	<u>162,804</u>	<u>184,901</u>

10 Amounts written off investments

	2020 £	2019 £
Other gains and losses	-	(20,198)
	<u>-</u>	<u>(20,198)</u>

11 Taxation

	2020 £	2019 £
Current tax		
Adjustments in respect of prior periods	(192,183)	(188,452)
	<u>(192,183)</u>	<u>(188,452)</u>

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

11 Taxation

(Continued)

	2020 £	2019 £
Deferred tax		
Origination and reversal of timing differences	(137,597)	(30,669)
	<u> </u>	<u> </u>
Total tax credit	(329,780)	(219,121)
	<u> </u>	<u> </u>

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

	2020 £	2019 £
Profit before taxation	575,725	2,629,327
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	109,388	499,572
Tax effect of expenses that are not deductible in determining taxable profit	(144,783)	(48,598)
Tax effect of income not taxable in determining taxable profit	(43,187)	(23,370)
Unutilised tax losses carried forward	327,131	43,973
Other permanent differences	(137,597)	(30,669)
Under/(over) provided in prior years	(192,183)	(188,452)
Dividend income	(248,549)	(471,577)
	<u> </u>	<u> </u>
Taxation credit for the year	(329,780)	(219,121)
	<u> </u>	<u> </u>

12 Dividends

	2020 £	2019 £
Interim paid	-	830,938
	<u> </u>	<u> </u>

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Impairments

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

	Notes	2020 £	2019 £
In respect of:			
Fixed asset investments	16	-	20,198
Stocks	18	82,830	21,002
		<u>82,830</u>	<u>21,002</u>
Recognised in:			
Cost of sales		82,830	21,002
Amounts written off investments		-	20,198
		<u>-</u>	<u>20,198</u>

The impairment losses in respect of financial assets are recognised in other gains and losses in the profit and loss account.

14 Intangible fixed assets

	Goodwill £
Cost	
At 1 January 2020	-
Additions	410,088
	<u>410,088</u>
At 31 December 2020	410,088
Amortisation and impairment	
At 1 January 2020	-
Amortisation charged for the year	82,018
	<u>82,018</u>
At 31 December 2020	82,018
Carrying amount	
At 31 December 2020	328,070
	<u>328,070</u>
At 31 December 2019	-
	<u>-</u>

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Tangible fixed assets

	Land and buildings Freehold	Assets under construction	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 January 2020	5,807,522	299,091	6,609,974	1,305,116	46,787	14,068,490
Additions	912,782	-	949,629	146,885	-	2,009,296
Disposals	(1,958,290)	-	(63,377)	-	-	(2,021,667)
Transfers	-	(299,091)	299,091	-	-	-
At 31 December 2020	4,762,014	-	7,795,317	1,452,001	46,787	14,056,119
Depreciation and impairment						
At 1 January 2020	954,239	-	5,720,987	918,988	41,907	7,636,121
Depreciation charged in the year	112,852	-	263,563	90,053	1,610	468,078
Eliminated in respect of disposals	(865,872)	-	(42,956)	-	-	(908,828)
At 31 December 2020	201,219	-	5,941,594	1,009,041	43,517	7,195,371
Carrying amount						
At 31 December 2020	4,560,795	-	1,853,723	442,960	3,270	6,860,748
At 31 December 2019	4,853,283	299,091	888,987	386,128	4,880	6,432,369

The carrying value of land and buildings comprises:

	2020 £	2019 £
Freehold	4,848,427	4,853,283

16 Fixed asset investments

	Notes	2020 £	2019 £
Investments in subsidiaries	17	3,166,845	3,166,845

17 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Subsidiaries

(Continued)

Name of undertaking	Address	Class of shares held	% Held Direct
Allen Industrial Limited		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		Ordinary Shares	100.00
Reflex&Allen Brazil	4	Ordinary Shares	1.00

Registered office addresses (all UK unless otherwise indicated):

- 1 China
- 2 Northern Ireland
- 3 India
- 4 Brazil

18 Stocks

	2020 £	2019 £
Raw materials and consumables	6,088,663	4,730,565
Work in progress	1,486,127	1,336,903
Finished goods and goods for resale	2,241,815	1,588,010
	<u>9,816,605</u>	<u>7,655,478</u>

19 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	4,739,101	3,255,308
Amounts owed by group undertakings	18,446,880	17,176,400
Other debtors	663,447	163,733
Prepayments and accrued income	305,793	1,446,197
	<u>24,155,221</u>	<u>22,041,638</u>
Amounts falling due after more than one year:		
Amounts owed by group undertakings	<u>1,182,594</u>	<u>1,521,501</u>
Total debtors	<u>25,337,815</u>	<u>23,563,139</u>

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	22	2,919,360	4,663,630
Trade creditors		7,455,623	4,338,940
Amounts owed to group undertakings		8,305,525	4,319,080
Taxation and social security		333,648	143,217
Government grants	24	181,840	227,299
Dividends payable		525,000	525,000
Other creditors		62,186	45,950
Accruals and deferred income		1,161,600	484,898
		<u>20,944,782</u>	<u>14,748,014</u>

21 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Bank loans and overdrafts	22	<u>676,686</u>	<u>1,067,656</u>

22 Loans and overdrafts

	2020 £	2019 £
Bank loans	1,125,986	1,493,007
Bank overdrafts	<u>2,470,060</u>	<u>4,238,279</u>
	<u>3,596,046</u>	<u>5,731,286</u>
Payable within one year	2,919,360	4,663,630
Payable after one year	<u>676,686</u>	<u>1,067,656</u>

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%.

REFLEXALLEN UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

23 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	278,801	177,579
Tax losses	(278,801)	(39,982)
	<u>-</u>	<u>137,597</u>
Movements in the year:		2020 £
Liability at 1 January 2020		137,597
Credit to profit or loss		(137,597)
		<u>-</u>
Liability at 31 December 2020		<u>-</u>

Deferred tax is not recognised in respect of tax losses of £686,092 as it is not probable that they will be recovered against the reversal of deferred tax liabilities or future taxable profits.

24 Deferred grants

	2020 £	2019 £
Arising from government grants	<u>909,199</u>	<u>1,136,498</u>
Deferred income is included in the financial statements as follows:		
Current liabilities	181,840	227,299
Shown as deferred income on the face of the balance sheet	<u>727,359</u>	<u>909,199</u>
	<u>909,199</u>	<u>1,136,498</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 2020

25 Retirement benefit schemes

	2020	2019
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	214,360	208,014

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.

26 Share capital

	2020	2019	2020	2019
Ordinary share capital Issued and fully paid	Number	Number	£	£
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.

27 Share premium account

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

28 Capital redemption reserve

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

29 Profit and loss reserves

Cumulative profit and loss net of distributions to owners.

30 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:

	2020	2019
	£	£
Within one year	27,433	38,234
Between two and five years	58,776	58,329
In over five years	490	-
	86,699	96,563

31 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 2020

31 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.

32 Ultimate controlling party

The parent company is Allmark Limited, a company incorporated in England & Wales, who is owned by Reflex s.r.l., a company incorporated in Italy.

The majority shareholder of Reflex s.r.l. is Finite s.r.l. incorporated in Italy. This is considered to be the ultimate controlling company. Finite s.r.l. is 99% owned by Mr R Gibellini, director, who is considered to be the ultimate controlling party. Copies of the group accounts are available at the company's registered office, Via Luigi Valdrighi 101/2, Maderia, Italy 41124.

33 Directors statement relating to revised annual accounts

The revised accounts replace the original annual accounts for the financial year ending 31 December 2020 and they are now the statutory accounts of the company for the financial year ending 31 December 2020. They have been prepared as at the date of the original annual accounts and not as at the date of revision and accordingly do not deal with events between those dates. Following a change in the accounting treatment of a payment made to a parent company in the parent company accounts, the original annual accounts no longer complied with the requirement of Companies Act 2006 to give a true and fair view. The amendments made to remedy the defects has resulted in current assets increasing by £802,111 and the profit and loss reserve to increase by £802,111.

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.