

Van Leeuwen Limited

Reports and financial statements

For the year ended 31 December 2020

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Van Leeuwen Limited

Company Information

Directors	K K Bowling R Heath (Appointed on 18/12/2020) J F Weerstra (Terminated on 18/12/2020)
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Registered number	1991207
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Registered office	Nine Lock Works Mill Street Brierley Hill West Midlands DY5 2SX
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Independent auditors	Ernst & Young LLP One Colmore Square Birmingham B4 6HQ
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Bankers	BNP Paribas Fortis 10 Harewood Avenue London NW1 6AA National Westminster Bank plc 92 English Street Carlisle CA3 8NF
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Solicitors	Higgs & Sons 3 Waterfront Business Park Brierley Hill West Midlands DY5 2SX
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Van Leeuwen Limited

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Van Leeuwen Limited

Strategic report For the year ended 31 December 2020

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

Principal activities and review of the business

The principal activity of the company is that of steel stockholders, selling mainly to customers in the Industry and Energy sector.

2020 started relatively positive, however trade from Van Leeuwen's Industrial customers reduced significantly during quarter 2 due to the restrictions imposed during the Covid-19 Pandemic. Schedules from the majority of the companies key customers from this sector showed a gradual improvement through the second half of 2020 with forecasts showing a return to similar levels to 2019 early in the next year. Customers involved in repair and maintenance to equipment in the Energy sector maintained a reasonably stable demand during the year. Van Leeuwen Limited continued to support the groups Global Project Organisation which yielded positive returns for orders involving UK companies during the year. The company did utilise the UK governments support in an effort to minimise the losses incurred during quarter 2. During the year considerable effort was made in preparation for the merging of activities from Van Leeuwen Distribution Limited (VLDL) into Van Leeuwen Limited for the start of 2021.

Financial key performance indicators

The directors consider the key performance indicators of the business to be turnover and operating profit.

The company turnover decreased by 7% on its continuing activities compared to the previous year for the reasons outlined above; the gross profit percentage decreased to 19% compared to previous year 21% due a change in product mix.

Overall, an operating profit of £698,847 was generated from the continuing activities compared to an operating profit of £1,572,000 for the previous year.

Other key performance indicators

The average number of employees decreased from 77 in 2019 to 73 in 2020.

Section 172(1) Statement

The Companies (Miscellaneous Reporting) Regulations 2018 (the "Regulations") have been in force with effect from 1 January 2019. The Regulations aim to extend sustainable and responsible governance practice beyond listed companies to private limited companies. Amongst other things, the Regulations require the Company to report how the directors of the Company have considered their duties under section 172 (of the Companies Act 2006 (the "Act")) ("Section 172"), to promote the success of the Company, during the reporting period.

The Directors have ensured compliance with their duties under s.172 in relation to the Company and its various stakeholders, including its investors, workforce, customer and suppliers, local community and the environment. As a wholly-owned subsidiary of the Van Leeuwen Pipe & Tube Group, the Company has a sole member. Engagement with the Company's stakeholders has informed the way in which the Directors have discharged their duties as detailed below. Where individual Directors are not directly involved in the processes described below, regular feedback and discussions are held with the relevant management teams, including Board meetings and operational review meetings. The Directors have oversight of the running of the Company, including through regular reviews of the contract performance and consideration of potential risks and opportunities.

The main purpose of the Company is to process and distribute carbon and stainless steel pipe, tube and associated products, in a manner which provides an appropriate return for its shareholder whilst providing a valuable contribution to the local community both as a key employer of local residents and through wider contributions to the community. The Company interacts on a continuous basis with employees and its shareholder and has regular and frequent engagement with its main customers and other stakeholders.

Investors

The Company is part of the Van Leeuwen Pipe & Tube Group (the "Group") and as such the Directors have ensured that the strategy, values and policies of the Group have been adopted.

Central to the trust between a Company and its investors is the commitment to principled corporate governance.

In order to ensure compliance, the Company's Corporate Compliance Program is designed to promote an ethical and compliant culture, which in turn, minimizes the risk of criminal and financial liability.

The Company's Compliance Program consists of various policies, including the Code of Business Conduct and Ethics, conflicts of interest, anti-corruption, gifts and entertainment, among others. The Company has a Compliance Committee consisting of senior management who meet regularly to provide oversight to and assess the effectiveness of the program. In addition, compliance program activities are reviewed with the Company's Board of Directors.

The Company also has a detailed code of conduct policy. The Code is the foundation of the Compliance Program and serves as a key element of the Company's governance, risk management and compliance efforts.

Management financial reporting is also a key focus of corporate management. Financial reporting is submitted monthly and is reviewed by operational and financial senior management. Regular forecasts are also calculated to provide a detailed plan of Company performance for the current year. The financial results are reviewed at a facility level with the results consolidated to business units and ultimately the parent company. The outcome of these performance measures are critical in strategic and operational decision making. Due to the operational reporting structure of the Group, financial performance is not monitored at a total Company level, but all components of the Company are subject to the same level of divisional scrutiny.

Van Leeuwen Limited

Workforce (past and present)

Current Employee Engagement

One of the Company's core values of 2020 was employee engagement, including "Making more Together" and "LeeuwOne". Every facility has conducted a Strategy presentation and discussion, the results of these have highlighted areas which the Company needs to focus on in 2020.

Along with the employee engagement initiatives, the Company has also continued to engage with the workforce through regular team updates, the output of which are considered at Board meetings.

With this variety of communication, the Company is engaging our workforce, we are committed to lead in a way that empowers, develops, and involves, treating every employee as a stake holder to the business.

Post-retirement benefits

The Company provides post retirement pension provisions for both its current employees and in respect of previous employees, through a combination of defined benefit and defined contribution pension schemes. The Company works very closely with the Scheme Administrators, Actuaries, member nominated trustees and employer nominated trustees.

Trustee meetings are held on a regular basis throughout the year and ensure all legal reporting requirements have been met along with identifying any upcoming new legislation, funding requirements, update on employer covenants, PPF Levy updates, governance and any other appropriate pension matters. Where urgent matters arise outside of the meeting dates, telephone conference calls take place.

During the Trustee meetings the pension administrator reports on key metrics associated with the relevant scheme, including for example cashflow and investments, feedback from pensioners and statutory reporting requirements.

In respect of defined benefit schemes, which are closed in 2000, the Trustees also have a defined list of objectives for the investment strategy that is regularly reviewed, a business plan covering key timelines for the upcoming 12 months and a Risk Register being utilised to help prioritise objectives. All Trustees also maintain their Trustee Knowledge on current issues and forthcoming events through online and in person training.

Customer

The customer is a key consideration in many management decisions.

Focus on providing the customer base a competitive, quality product on time, first time is the priority of the organisation.

Commercial pricing and customer settlements are negotiated and agreed with the customer to ensure sales recoveries are in line with both parties expectations. Regular meetings are held to agree pricing for component changes.

As a supplier the Company receives orders and production schedules on a daily basis from the customer base. These orders/schedules provide the basis for operations management with key information relating to production planning decisions including labour resource requirements. These decisions ensure that the product is delivered to the customer at the right place at the right time.

Product quality is a priority in management decision making. There are regular Quality reviews with the customer to ensure that Company's quality rating is best in class. In the event that Quality issues arise, there are also discussions regarding the resolution directly with the customer.

Supplier

The Company is committed to being a supplier of choice to its customers by providing superior products while displaying excellence in quality, innovation, delivery, service, and competitiveness. As an extension of our operations, we expect our supply base to share this commitment. Only this commitment will allow all of us to successfully operate in today's competitive environment.

We seek to establish strong supplier relationships with a high degree of integrity and corporate ethics. In return, our intention is to operate fairly and to make decisions based solely on overall value to the Company. We will not allow any inappropriate influence to compromise or sway our decisions. It is expected that this commitment is also made by our suppliers to those further down the supply chain.

Global procedures are in place to ensure suppliers are selected on a sustainable basis including a review of Financial and Quality stability including adherence to quality and environmental standards.

Regular reviews of existing supplier performance are undertaken.

Community

The Company continues to support a wide range of charitable and service organizations in the communities where we do business. Our employees volunteer time, financial support and provide gifts of goods and services to a wide range of community causes and service organizations all of which is supported by the Company. From senior leadership to our newest team member, we all contribute to Company's core value of supporting the communities in which we live and work.

Van Leeuwen Limited

Environmental

The Company is committed to sustainability in our operations and products. The Company adheres to all domestic environmental regulations and approved code of practices which govern activities or operations that may have adverse environmental effects. These laws, regulations and ordinances impose liability for clean-up costs resulting from past spills, disposals or other releases of hazardous wastes.

Streamlined energy and carbon reporting

Scopes	Scope 1		Scope 2		Scope 3	
	kWh	tCO ₂ e	kWh	tCO ₂ e	kWh	tCO ₂ e
Electricity	-	-	672,748	155.43	-	-
Natural Gas	118,672	21.82	-	-	-	-
Transport	107,958	27.38	-	-	-	-
Total	226,630	49.20	672,748	115.43	-	-

Intensity Metrics

Van Leeuwen Limited has determined that the most useful way to measure the efficiency of energy usage is in relation to the level of business conducted in the year so is reporting energy and emissions per £m of turnover. For the year to December 2020 the reported numbers are:

Energy used per £m turnover	21,331 kWh
Emissions per £m turnover	4.85 tCO ₂ e

Principal risks and uncertainties

The company manages competitive trading risk by providing added value services to its customer base, having fast response times not only in supplying products but in handling all customer queries, and by maintaining strong relationships with its customers.

Appropriate credit control procedures are followed where credit risk is perceived for example, the company carefully assesses credit limit per customer and aims to get 85% of debt insured.

The company's functional currency is Sterling, but certain sales and purchases are carried out in Euros and US Dollars. Some currency transactions are covered by forward currency contracts to minimise risk in this area but at the year-end hedges are minimal therefore there is exposure to foreign currency movements.

The liquidity ratio is 1.5 which indicates a good position on liquidity, with external short-term creditors and bank overdraft covered by receivables and cash. The company manages its liquidity using its own cash, bank overdraft facilities and if required inter-company borrowings.

The impact of COVID-19 presents a risk to the company. The Company continues to monitor the impact of the COVID-19 pandemic on our operations, financial results and employees. Despite the COVID-19 pandemic experienced in 2020, the liquidity ability of company has not changed much. Some customers were put onto arranged payment plans which caused a few weeks delay in payment, but the majority of customer are still paying on time. Also with stock reduction strategy, it has improved the liquidity of the company. Processes have also been put in place to ensure that the working environment is safe for our employees. The full extent to which the COVID-19 pandemic will impact our operations and financial results is uncertain and ultimately will depend on, among other factors, the duration of the pandemic, further government actions and the speed of economic recovery.

The uncertainty surrounding the effects of Brexit continue to cast a shadow over UK manufacturing. The main risk we foresee at the moment is potential delay of material input due to the customs declaration process and potential cost increases due to trade tariffs. The company has undertaken significant contingency planning for the potential impact at the end of the transition period to mitigate the risks as much as possible.

There are no other material exposures of the company relating to price risk and cash flow risk which is material for the assessment of the assets, liabilities, financial position and profit of the company.

This report was approved by the board on 08/10/2021 and signed on its behalf.


K K Bowling
Director

Van Leeuwen Limited

Director's report For the year ended 31 December 2020

The directors present their report and the financial statements for the year ended 31 December 2020. As permitted by the Companies Act there are certain items which are included in the Strategic report which should be included in the Directors report.

Results and dividends

The Profit for the year, after taxation, amounted to £1,096,000 (2019: £1,164,000).

The directors do not recommend a final dividend (2019: £nil).

Directors

The directors who served during the year and up to the date of signing the financial statements were:

K K Bowling
R Heath

Post balance sheet events and future developments

Going forward into 2021 trading from Van Leeuwen's Industrial customers is expected to increase. In particular the order books of the Original Equipment Manufacturers (OEM's) involved in manufacturing yellow goods and hydraulic cylinders are robust and the outlook for the whole of 2021 is positive. The expectation is that the Oil & Gas market will improve slightly from the current level. Overall demand has put pressure on the global supply chain with lead times and prices increasing at unprecedented levels. Management is confident that the new larger organisation will maximise possibilities to leverage our position further in our key markets. At forecasted trading levels and with continued tight control of operating expenditure, management expects to return a positive profit position for 2021.

Going concern

The company supplies to a number of industries, but a large proportion of its sales are ultimately to the construction, agricultural and energy markets. As a result, the company revenues are subject to changes in demand for these products. The current economic environment is positive for construction and agricultural equipment manufacturers. Demand from the Oil & Gas sector remains less predictable, however it is the Directors opinion that the level will improve slightly over 2021. In addition, the company is subject to fluctuations in purchase prices although these are mitigated by passing these on in the sales price.

The directors of the company have considered the expected revenue arising from sales to customers and the company's ongoing operational expenditure together with any other required expenditure. In doing this, the company has considered how it can minimise costs and maximise revenues and actions that would be required to affect these. In particular, they have considered the impact of changes in forecast volumes from key customers and the impact of changes in purchase prices. The directors have also considered the funds available to them and assessed the various plausible downside scenarios like decrease in revenue, increase in costs and other factors which will affect the future cash flow forecast. Based on the plans that are in place and assessments made, they have concluded that appropriate funds will be available to the company for the foreseeable future for the period of 12 months from the issuance of the financial statements to October 2022.

From 1st of January 2021, VLDEL has transferred all assets and liabilities to the company, which has strengthened the position of the company in various perspectives. The merger has diversified the customer base of the company and has also enlarged the product range. It has also brought a new sector (automotive) into business activities. As a result of this merger, the size of the business has nearly doubled in stock and production capacity and has also increased the market share in certain product groups. Both the company and VLDEL had a strong cash position before the merger, hence, the cash position has further improved post the merger, which has been great support for company development.

As a result, the company's directors have concluded that it is appropriate that these financial statements are prepared and presented using the going concern basis.


Disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made inquiries of fellow directors and the company's auditor, each director has taken all the steps that he/she is obliged to take as a director in order to make himself/herself aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditors

The auditors, Ernst & Young LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 08/10/2021 and signed on its behalf.


K K Bowling

Van Leeuwen Limited

Director
Directors' responsibilities statement
For the year ended 31 December 2020

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company financial statements and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- make judgments and accounting estimates that are reasonable and prudent;
- Provide additional disclosures when compliance with the specific requirement in FRS 102 is insufficient to enables users to understand the impact of particular transactions, other events and conditions on the company financial positions and financial performance;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

Van Leeuwen Limited

Independent auditors' report

Opinion

We have audited the financial statements of Van Leeuwen Limited for the year ended 31 December 2020 which comprise the Statement of comprehensive income, the Balance Sheet, the Statement of changes in equity and the related notes 1 to 25, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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 throughout the period from when the financial statements are authorised for issue to October 2022.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Company's ability to continue as a going concern.

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 this 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 there is 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 the 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 the 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 Directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic report or Directors' report.

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

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

Van Leeuwen Limited

Continued

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Company and determined that the most significant are those that relate to the reporting framework (FRS 102 and the Companies Act 2006) and compliance with the relevant direct and indirect tax regulation in the United Kingdom. In addition, the Company has to comply with laws and regulations relating to its operations, including occupational health and safety, environmental, International Organisation for Standardisation (ISO) 9001 and General Data Protection Regulation (GDPR).
- We understood how the Company is complying with those frameworks by making enquiries of management and those charged with governance to understand how the Company maintains and communicates its policies and procedures in these areas. We corroborated our enquiries through our review of minutes of the meetings of those charged with governance. We understood any controls put in place by management to reduce the opportunities for fraudulent transactions and how monitoring of these processes is done to avoid any instance of non-compliance.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur through meeting with management to understand where they considered there was susceptibility to fraud. We also considered performance targets and the potential incentives or opportunities to manage earnings. We considered the processes and controls that the Company has established to address identified risks, or that otherwise prevent or detect fraud and how senior management monitors those processes and controls. Where the risk was considered to be higher, in particular in respect of adjustments to revenue arising other than through routine invoicing with the Company's customers, we performed audit procedures to address this identified fraud risk. These procedures included an obtaining the population of all journals processed during the year. We performed a three-way correlation between revenue, receivables and cash and obtained explanations for any material outliers. We also tested manual journals posted to revenue using professional judgement. We determined the sample based on either size or nature for further testing and agreed to source documentation. These procedures were designed to provide reasonable assurance that the financial statements were free from material fraud. For revenue recognised through Bill and Hold arrangements, we obtained the relevant agreements and contracts to understand the terms of trade. We ensured the Company fulfilled their contractual obligation before recognising any revenue in the year. We also obtained the customer confirmation that indicated the Company can hold the goods on their behalf for an agreed period of time.
- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved understanding management's internal controls over compliance with laws and regulations, enquiries of management and performing focused testing by considering key phrases in identifying journals for further review. We verified that material transactions are recorded in compliance with FRS 102 and where appropriate Companies Act 2006.

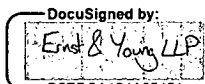
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Van Leeuwen Limited

Continued

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.

DocuSigned by:
Ernst & Young LLP

0550CA124465451
Adam Giffens (Senior statutory auditor)
for and on behalf of Ernst & Young LLP, Statutory Auditor
Birmingham

October 8, 2021

Van Leeuwen Limited

Statement of comprehensive income
For the year ended 31 December 2020

	Note	2020 £000	2019 £000
Turnover	3	42,163	45,333
Cost of sales		(34,172)	(35,726)
Gross profit		7,991	9,607
Distribution costs		(3,136)	(4,285)
Administrative expenses		(4,384)	(3,750)
Other operating Income	8	227	-
Operating profit	4	698	1,572
Interest payable and similar charges	9	(13)	(56)
Other finance cost	10	(30)	(23)
Profit before tax		655	1,493
Tax on profit	11	441	(329)
Profit for the year		1,096	1,164
Other comprehensive income for the year			
Actuarial loss on defined benefit pension scheme	21	(282)	(321)
Other comprehensive loss for the year		(282)	(321)
Total comprehensive income for the year		814	843

The notes on pages 12 to 30 form part of these financial statements.

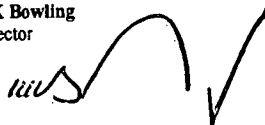
Van Leeuwen Limited

Balance sheet As at 31 December 2020

	Note	£000	2020 £000	£000	2019 £000
Fixed assets					
Tangible assets	12		1,141		1,013
Intangible assets	13		104		182
Fixed asset investments	14		-		-
			<u>1,245</u>		<u>1,195</u>
Current assets					
Stocks	15	5,795		8,844	
Debtors: amounts falling due within one year	16	7,058		9,747	
Cash at bank and in hand		10,620		1,821	
		<u>23,473</u>		<u>20,412</u>	
Creditors: amounts falling due within one year	17	(11,738)		(10,529)	
Net current assets			<u>11,735</u>		<u>9,883</u>
Total assets less current liabilities			<u>12,980</u>		<u>11,078</u>
Provisions for liabilities					
Pension liability	22		(2,248)		(1,160)
Net assets			<u>10,732</u>		<u>9,918</u>
Capital and reserves					
Called up share capital	20		8,820		8,820
Capital redemption reserve	21		6,890		6,890
Profit and loss account			(4,978)		(5,792)
Total shareholders funds			<u>10,732</u>		<u>9,918</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 08/10/2021

K K Bowling
Director



The notes on pages 12 to 30 form part of these financial statement

Van Leeuwen Limited

Statement of changes in equity
For the year ended 31 December 2020

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2020	8,820	6,890	(5,792)	9,918
Profit for the year	-	-	1,096	1,096
Actuarial loss on pension scheme	-	-	(282)	(282)
Other comprehensive loss for the year	-	-	(282)	(282)
Total comprehensive income for the year	-	-	814	814
At 31 December 2020	8,820	6,890	(4,978)	10,732

Statement of changes in equity
For the year ended 31 December 2019

	Called up share capital	Capital redemption reserve	Profit and loss account	Total equity
	£000	£000	£000	£000
At 1 January 2019	8,820	6,890	(6,635)	9,075
Profit for the year	-	-	1,164	1,164
Actuarial loss on pension scheme	-	-	(321)	(321)
Other comprehensive loss for the year	-	-	(321)	(321)
Total comprehensive income for the year	-	-	843	843
At 31 December 2019	8,820	6,890	(5,792)	9,918

The notes on pages 12 to 30 form part of these financial statements.

Van Leeuwen Limited

1. Accounting policies

1.1 Basis of preparation of financial statements and statement of compliance

Van Leeuwen Limited is a private limited company by shares incorporated in England.

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland and the Companies Act 2006.

The company is exempt under section 400 of the Companies Act 2006 from the requirement to prepare Group financial statements as it and its subsidiary undertakings are included by full consolidation in the group financial statements of its parent. These financial statements therefore present information about the company as an individual undertaking and not about its group.

The financial statements are prepared in Sterling which is the functional currency of the company and rounded to the nearest £'000.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 2).

The following principal accounting policies have been applied:

1.2 Financial reporting standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 4 Statement of Financial Position paragraph 4.12(a)(iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.39 to 11.48A;
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.29;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7, and related party disclosures with other wholly owned group companies

This information is included in the consolidated financial statements of Van Leeuwen Pipe and Tube Group BV as at 31 December 2020 and these financial statements may be obtained from Lindtsedijk 20, P.O. Box 50, 3330 AB, Zwijndrecht, The Netherlands.

1.3 Going concern

The company supplies to a number of industries, but a large proportion of its sales are ultimately to the construction, agricultural and energy markets. As a result, the company revenues are subject to changes in demand for these products. The current economic environment is positive for construction and agricultural equipment manufacturers. Demand from the Oil & Gas sector remains less predictable, however it is director opinion that the level will improve slightly over 2021. In addition, the company is subject to fluctuations in purchase prices although these are mitigated by passing these on in the sales price.

The directors of the company have considered the expected revenue arising from sales to customers and the company's ongoing operational expenditure together with any other required expenditure. In doing this, the company has considered how it can minimise costs and maximise revenues and actions that would be required to affect these. In particular, they have considered the impact of changes in forecast volumes from key customers and the impact of changes in purchase prices. The directors have also considered the funds available to them and assessed the various plausible downside scenarios like decrease in revenue, increase in costs and other factors which will affect the future cash flow forecast. Based on the plans that are in place and assessments made, they have concluded that appropriate funds will be available to the company for the foreseeable future for the period of 12 months from the issuance of the financial statements to October 2022.

From 1st of January 2021, VL DL has transferred all assets and liabilities to company, which has strengthened the position of the company in various perspectives. The merger has diversified the customer base of the company and has also enlarged the product range. It has also brought a new sector (automotive) into business activities. As a result of this merger, the size of the business has nearly doubled in stock and production capacity and has also increased the market share in certain product groups. Both the company and VL DL had a strong cash position before the merger, hence, the cash position has further improved post the merger, which been great support for company development.

As a result, the company's directors have concluded that it is appropriate that these financial statements are prepared and presented using the going concern basis.

1.4 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when risks and rewards transferred to buyer which is normally on dispatch of goods.

Van Leeuwen Limited

Bill and hold

Revenue from a bill-and-hold arrangement is recognised before the physical delivery of goods to the customer. A formal contract is signed and agreed upon with the customer before recording any such revenue. The written customer confirmation needs to be obtained to confirm the arrangement and to keep the goods on the customer behalf for an agreed period of time. The goods should be kept separately from the rest of the stock for easy identification. The goods should be kept ready for customer delivery and waiting for final instruction from the customer to dispatch. The risks and rewards have been transferred from the company to buyer and the company becomes a custodian of goods until it is dispatched to the customer

1.5 Tangible fixed assets

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

Land is not depreciated. Depreciation on other assets is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold buildings	-	2% straight line
Short-term leasehold land and buildings	-	Over the life of the lease
Plant and machinery	-	10% pa straight-line
Motor vehicles	-	25% pa straight-line
Fixtures and fittings	-	20% pa straight-line

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

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

1.6 Intangible fixed assets

Intangible assets are capitalized at historical value less accumulated depreciation and any accumulated impairment losses. Historical value is the cost paid at purchase include the license fee and implementation cost been paid to bring software to use. Depreciation is provide based on 20% pa straight-line.

1.7 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.8 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the weighted average cost basis that includes other cost in bringing the stock to their present location and condition. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.9 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

1.10 Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

Van Leeuwen Limited

**Notes to the financial statements
For the year ended 31 December 2020**

1. Accounting policies (continued)
1.11 Financial instruments

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

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, any changes are charged off to the income statement. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

1.12 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.13 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the statement of comprehensive income within 'Administrative expenses'.

Van Leeuwen Limited

**Notes to the financial statements
For the year ended 31 December 2020**

1. Accounting policies (continued)
1.14 Pensions
Defined contribution pension plan

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

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

Defined benefit pension scheme

The cost of providing benefits under the defined benefit plan is determined separately for each plan using the projected unit credit method, which attributes entitlement to benefits to the current period (to determine current service cost) and to the current and prior periods (to determine the present value of defined benefit obligation) and is based on actuarial advice. Past service costs are recognised in profit or loss on a straight-line basis over the vesting period or immediately if the benefits have vested. When a settlement (eliminating all obligations for benefits already accrued) or a curtailment (reducing future obligations as a result of a material reduction in the scheme membership or a reduction in future entitlement) occurs the obligation and related plan assets are remeasured using current actuarial assumptions and the resultant gain or loss recognised in profit and loss during the period in which the settlement or curtailment occurs.

The interest element of the defined benefit cost represents the change in present value of scheme obligations resulting from the passage of time, and is determined by applying the discount rate to the opening present value of the benefit obligation, taking into account material changes in the obligation during the year. The latest actuarial valuation of the scheme was carried out at 31 December 2019 and updated by the actuary to take account of the requirements of FRS102 in order to assess the liabilities of the scheme. The assumptions which have the most significant effect on the results of the valuation are those relating to the discount rate and Consumer Price Index (CPI).

Actuarial gains and losses are recognised in full in the period in which they occur.

The defined benefit pension asset or liability in the balance sheet comprises of the present value of the defined benefit obligation (using a discount rate based on high quality corporate bonds), less any past service cost not yet recognised and less the fair value of plan assets out of which the obligations are to be settled directly. Fair value is based on market price information and in the case of quoted securities is the published mid-market price.

As the pension scheme is closed to future accrual, recovery would be through refunds from the plan

1.15 Borrowing costs

All borrowing costs are recognised in the Profit and loss account in the year in which they are incurred.

1.16 Current and deferred taxation

Tax is recognised in the statement of comprehensive income except that a change attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws applicable in the countries where the Company operates and generates income.

Deferred tax is recognised in respect of all timing differences which are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements, except that:

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that the directors consider that it probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

1.17 Leases

Rentals payable under operating leases are charged in the Income Statement on a straight-line basis over the lease term.

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

2. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following judgements have had the most significant effect on amounts recognised in the financial statements:

Pension and other post-employment benefits

The cost of defined benefit pension plans and other post-employment medical benefits are determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and the long term nature of these plans, such estimates are subject to significant uncertainty. In determining the appropriate discount rate, management considers the interest rates of corporate bonds in the respective currency with at least AA rating, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation. The underlying bonds are further reviewed for quality, and those having excessive credit spreads are removed from the population bonds on which the discount rate is based, on the basis that they do not represent high quality bonds. The mortality rate is based on publicly available mortality tables for the specific country. Future salary increases and pension increases are based on expected future inflation rates for the respective country. Further details are given in notes 22.

Deferred Taxation

The valuation of any deferred tax assets is based on estimates of future taxable profits. These profits are based on forecasts prepared by management and subject to appropriate review and approval within the business. However due to the nature of the business and the markets that it operates in there is a risk that the actual profits will differ from those forecast and therefore estimates of utilisation of deferred tax assets may change over time. The current DTA is calculated based on next two years forecast profit.

Inventory provisioning

The company is a steel stockholder and therefore a significant proportion of the balance sheet value is in inventory. There are risks that the sales price of steel may fall below purchase price and also that certain products may become obsolete or suffer from reduced demand. As a result of this estimates are made of likely levels of obsolete and scrap inventory that would require provision. These estimates are based on actual and forecast demand and sales prices.

3. Turnover

The whole of the turnover is attributable to one continuing activity, as stated in the directors' report.

Analysis of turnover by country of destination:

	2020 £000	2019 £000
United Kingdom	39,698	35,279
Rest of Europe	1,242	4,837
Rest of the world	1,223	5,217
	<u>42,163</u>	<u>45,333</u>

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

4. Operating Profit

The operating profit is stated after charging:

	2020 £000	2019 £000
Depreciation of tangible assets	165	143
Amortisation of intangible assets	78	78
Exchange differences loss	168	103
Operating lease rentals	425	421

5. Auditors' remuneration

	2020 £000	2019 £000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual accounts	50	35
Taxation services-compliance	11	12
	<u>61</u>	<u>47</u>

6. Employees

Staff costs, including directors' remuneration, were as follows:

	2020 £000	2019 £000
Wages and salaries	2,416	2,414
Social security costs	198	255
Cost of defined contribution scheme	107	115
	<u>2,721</u>	<u>2,784</u>

The average monthly number of employees, including the directors, during the year was as follows:

	2020 No.	2019 No.
Warehouse	33	33
Selling and administration	40	44
	<u>73</u>	<u>77</u>

Van Leeuwen Limited

**Notes to the financial statements
For the year ended 31 December 2020**
7. Directors' remuneration

	2020 £000	2019 £000
Directors' emoluments	129	101
Company contributions to defined contribution pension schemes	9	8
	<u>138</u>	<u>109</u>

During the year retirement benefits were accruing to 1 director (2019 - 1) in respect of defined contribution pension schemes.

One director is remunerated by another group company. No allocation of his emoluments has been made as his services to this company are considered incidental to his other role.

8. Other operating income

	2020 £000	2019 £000
Coronavirus Job Retention Scheme	227	-
	<u>227</u>	<u>-</u>

The value recovered from the Coronavirus Job Retention Scheme in 2020 was £226,889 (2019: Nil)

9. Interest payable and similar charges

	2020 £000	2019 £000
Bank interest payable (on overdrafts)	13	56
	<u>13</u>	<u>56</u>

10. Other finance costs

	2020 £000	2019 £000
Interest on pension scheme liabilities	(153)	(186)
Interest on pension scheme assets	123	163
	<u>(30)</u>	<u>(23)</u>

Van Leeuwen Limited

**Notes to the financial statements
For the year ended 31 December 2020**
11. Taxation

	2020 £000	2019 £000
Total current tax	-	-
Deferred tax		
Origination and reversal of timing differences	(438)	368
Changes to tax rates	(3)	(39)
Total deferred tax (credited)/charged	<u>(441)</u>	<u>329</u>
Tax (credited)/charged to profit on ordinary activities	<u>(441)</u>	<u>329</u>

The tax assessed for the year is the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £000	2019 £000
Profit on ordinary activities before tax	<u>655</u>	<u>1,493</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 -19%)	125	284
Effects of:		
Expenses not deductible for tax purposes	11	6
Movement in unprovided deferred tax	(573)	78
Tax rate changes	(4)	(39)
Total tax (credited)/charged for the year	<u>(441)</u>	<u>329</u>

Factors that may affect future tax charges

We have recognised deferred tax balance at a rate of 19% (2019:17%). The rate used should be based on tax rates and laws that have been 'enacted or substantively enacted' by the end of the reporting period. As at 31 December 2020, the rate of corporation tax is 19%. The UK Budget 2021 announcements on March 3rd 2021 included measures to support economic recovery as a result of the ongoing COVID-19 pandemic. These included an increase to the UK corporation tax rate to 25%, which is due to be effective from 1 April 2023. These changes were not substantively enacted at the balance sheet date and hence have not been reflected in the measurement of deferred tax balances at the period end. If the company's deferred tax balances at the period end were remeasured at 25% this would result in a deferred tax change of £150K.

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

12. Tangible Assets

	Freehold land and buildings	Short-term leasehold land and buildings	Plant and machinery	Fixtures and fittings	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 January 2020	1,098	396	1,378	908	3,780
Addition	-	-	253	39	292
At 31 December 2020	1,098	396	1,631	947	4,072
Depreciation					
At 1 January 2020	593	325	1,088	761	2,767
Charged for the period	24	26	75	39	165
At 31 December 2020	617	351	1,163	800	2,931
Net book value					
At 31 December 2020	481	45	468	147	1,141
At 31 December 2019	505	71	290	147	1,013

Included in land and buildings is an amount of £60,929 (2019: £60,929) in respect of land which is not depreciated.

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

13.**Intangible assets**

Software	Total
£000	£000

Cost or valuation

At 1 January 2020	443	443
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At 31 December 2020

443	443
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Amortisation

At 1 January 2020	261	261
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Charged for the period	78	78
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At 31 December 2019

339	339
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Net book value

At 31 December 2020	104	104
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At 31 December 2019	182	182
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Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

14. Fixed asset investments

Subsidiary
undertakings

£000

At January 2020 and 31 December 2020

The company's subsidiary undertaking is Wheeler Precision Limited, a dormant company incorporated in England and Wales 100% ordinary shares are held and the company is dormant (Registered office: Nine Lock Works, Mill Street, Brierley Hill, West Midlands. DY5 2SX).

15. Stocks

	2020 £000	2019 £000
Finished goods and goods for resale	5,795	8,844
	<u>5,795</u>	<u>8,844</u>

The difference between purchase price or production cost of stocks and their replacement cost is not material.
The amount of stock provision charged to income statement and included in the cost of sales during the year was £339,000 (2019: £406,000).

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

16. Debtors amounts falling due within one year

	Note	2020 £000	2019 £000
Trade debtors		5,774	9,364
Amounts owed by group undertakings		259	18
Other debtors		552	333
Deferred tax	19	473	32
		<u>7,058</u>	<u>9,747</u>

Deferred tax balances stated above includes the amount of £473,000 (2019: £32,000) which is recoverable after 12 months period.

17. Creditors: amounts falling due within one year

	2020 £000	2019 £000
Bank overdrafts	-	2,105
Trade creditors	3,156	4,060
Amounts owed to group undertakings	2,439	2,972
Other taxation and social security	4,754	769
Accruals and deferred income	1,389	623
	<u>11,738</u>	<u>10,529</u>

18. Financial instruments

	2020 £000	2019 £000
Financial assets		
Financial assets measured at fair value through profit or loss	10,621	1,821
Financial assets measured at amortised cost	6,514	9,715
	<u>17,135</u>	<u>11,536</u>

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

Financial instruments (continued)**Financial liabilities**

Financial liabilities measured at amortised cost	(11,617)	(9,818)
	<u>(11,617)</u>	<u>(9,818)</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and other debtors.
Financial Liabilities measured at amortised cost comprise trade creditors, overdrafts, amounts owed to group undertakings, accruals and deferred income and bank overdraft

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

19. Deferred taxation

	2020	2019
	£000	£000
At beginning of year	(32)	(361)
(Credited)/Charged to the profit & loss account	(441)	329
At end of year	<u>(473)</u>	<u>(32)</u>

The deferred tax (assets)/liabilities is made up as follows:

	2020	2019
	£000	£000
Accelerated capital allowances	90	47
Tax losses carried forward	(563)	(79)
Net deferred tax assets	<u>(473)</u>	<u>(32)</u>

A deferred tax asset has been recognised due to the expected utilisation of carried forward tax losses on forecast future profits. The deferred tax asset has not been recognised in full because management do not consider it more likely than not that all of the timing differences will reverse in the foreseeable future. The DTA provision is calculated based on next two years profit Forecast.

Unrecognised deferred tax for the year amounted to £1,080,829 (2019: £1,440,575), which made up by £427,120 (2019: £197,200) of timing difference on pension and £653,709 (2019: £1,243,357) of trading losses.

20. Share capital

	2020	2019
	£000	£000
Shares classified as equity		
Allotted, called up and fully paid		
8,519,911 - Ordinary shares of £1 each	8,520	8,520
300,000 - Redeemable shares of £1 each	300	300
	<u>8,820</u>	<u>8,820</u>

The redeemable shares of £1 each are redeemable at the option of the company at any time by giving at least thirty days' notice to the holders of those shares. In all other respects, these shares rank pari passu with the ordinary shares.

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

21. Reserves**Capital redemption reserve**

This reserve records the nominal value of shares repurchased by the company.

22. Pension commitments*Defined contribution stakeholder plan*

The company operates a defined contribution stakeholder plan. The scheme funds are administered by trustees, and are independent of the company's finances. Contributions paid to this scheme during 2020 amounted to £50,000 (2019: £50,000) and amounts included in other creditors is £nil (2019: £nil).

The Company operates a Defined benefit pension scheme.

With effect from 1 January 2000 Van Leeuwen Tubes Limited transferred its trade and associated assets and liabilities to Van Leeuwen Limited. The company has provided written confirmation to Van Leeuwen Tubes Limited that it will take responsibility for any further funding requirements for the Van Leeuwen Tubes pension scheme and as a result of this the pension scheme is accounted for in Van Leeuwen Limited.

Van Leeuwen Limited and Van Leeuwen Tubes Limited (the 100% parent company of Van Leeuwen Limited) are both sponsoring employers of the Van Leeuwen Tubes pension scheme. To protect the pension rights of the participants Van Leeuwen Tubes remains the guarantor for all liabilities towards the scheme.

The scheme is funded by the payment of contributions to a separately administered fund. This scheme is closed to new members and to future accrual.

Pension costs are determined with the advice of an independent qualified actuary on the basis of a triennial valuation using the projected unit method. The latest actuarial valuation of the scheme was carried out at 31 December 2019 and updated by the actuary to take account of the requirements of FRS 102 in order to assess the liabilities of the scheme at 31 December 2020. The assumptions which have the most significant effect on the results of the valuation are those relating to the rates of increase in salaries and discount rate. The market value of the assets was £6,744,000 (2019: £6,443,000). The value of the assets represented 75% (2019: 85%) of the value of members' accrued benefits, after allowing for projected future increases in pensionable remuneration in respect of members in service.

During the year ended 31 December 2020 the employer committed to make a contributions of £50k (2019: £50k). The actual payment was paid into the scheme in Jan 2021. Hence, 50K is reflected in other creditors.

Trustees: Lynn Kent (appoint by pensioner), Yuan Sun (appointed by Company), Steve Southern Trustees limited (appointed by company).

Scheme assets are stated at their market value at the respective balance sheet dates.

	2020 £000	2019 £000
Reconciliation of present value of plan liabilities		
At the beginning of the year	7,603	6,888
Interest cost	153	186
Actuarial loss	764	773
Plan introductions and charges Loss	746	-
Benefits paid	(274)	(244)
At the end of the year	8,992	7,603

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

22. Pension commitments (continued)

	2020 £000	2019 £000
Reconciliation of present value of plan assets		
At the beginning of the year	6,443	6,032
Interest income	123	163
Return on Assets (excluding amount included in net interest expenses)	402	452
Contributions	50	50
Benefits paid	(274)	(244)
Administration expenses	-	(10)
At the end of the year	6,744	6,443
Composition of plan assets:		
	2020 £000	2019 £000
Equities	1,567	2,081
Gilts and bonds	781	857
Property	-	293
Annuity policies	3,398	3,017
Other	998	195
Total plan assets	6,744	6,443
	2020 £000	2019 £000
Fair value of plan assets	6,744	6,443
Present value of plan liabilities	(8,992)	(7,603)
Net pension scheme liability	(2,248)	(1,160)

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

22. Pension commitments (continued)

The amounts recognised in profit and loss are as follows:

	2020 £000	2019 £000
Net interest on net defined benefit liability	30	23
Loss on plan introductions, changes, curtailments and settlements	826	-
Administration expenses	-	10
Net charged to profit and loss	856	33

The amounts recognised in other comprehensive income are as follows:

Actuarial loss on pension liabilities	684	773
Return on scheme pension assets (excluding interest amount)	(402)	(452)
Total loss recognised in the other comprehensive income	282	321

The loss (£826k) realised in income statement this year, is related to Guaranteed Minimum Pension (GMP) equalization and Sex equalization issue which has not been addressed correctly in the past. The potential liability has been calculate by professional advisors and a provision has been made accordingly.

The company expects to pay £560k in 2021 Plus 10% profit share cap with £120k. And from 2022, company expected to pay £120k plus 10% profit share with cap £120k contribution for 8 Years.

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages):

	2020 %	2019 %
Discount rate	1.35	1.95
Future salary increases	2.20	2.05
Future pension increases	2.90	2.90
Proportion of employees opting for early retirement	-	-
Inflation assumption	3.00	3.05
Mortality rates		
- for a male aged 65 now	87.0	86.9

Van Leeuwen Limited

**Notes to the financial statements
For the year ended 31 December 2020**

22. Pension commitments (continued)

- for a female aged 65 now	89.3	88.8
- for a male aged 45 now	88	88
- for a female aged 45 now	90.4	90

Van Leeuwen Limited

Notes to the financial statements
For the year ended 31 December 2020

23. Commitments under operating leases

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

	2020 £000	2019 £000
Land & buildings		
Not later than 1 year	349	354
Later than 1 year and not later than 5 years	313	683
	<u>662</u>	<u>1,037</u>

	2020 £000	2019 £000
Plant & Machinery		
Not later than 1 year	52	79
Later than 1 year and not later than 5 years	42	45
	<u>94</u>	<u>124</u>

24. Controlling party

The company's immediate parent undertaking is Van Leeuwen Tubes Limited. The smallest and largest group for which group financial statements are drawn up and of which the company is a member is Van Leeuwen Pipe and Tube Group BV, a company incorporated in the Netherlands.

Van Leeuwen Pipe and Tube Group BV is considered the controlling party and ultimate parent company.

Copies of the financial statements of Van Leeuwen Pipe and Tube Group BV can be obtained from Lindtsedijk 20, P.O. Box 50, 3330 AB, Zwijndrecht, The Netherlands.

25. Post balance sheet events

Going forward into 2021 trading from Van Leeuwen's Industrial customers is expected to increase. In particular the order books of the OEM's involved in manufacturing yellow goods and hydraulic cylinders are robust and the outlook for the whole of 2021 is positive. The expectation is that the Oil & Gas market will improve slightly from the current level. Overall demand has put pressure on the global supply chain with lead times and prices increasing at unprecedented levels. Management is confident that the new larger organisation will maximise possibilities to leverage our position further in our key markets. At forecasted trading levels and with continued tight control of operating expenditure, management expects to return a positive profit position for 2021.

As of 1st of Jan 2021, the company and VL DL has merged into one company, and continuing trading under Van Leeuwen Limited name.