

**Strategic Report, Report of the Directors and  
Financial Statements  
for the Year Ended 31 December 2018  
for  
Allied International Trading Limited**



# **Allied International Trading Limited**

## **Contents of the Financial Statements for the Year Ended 31 December 2018**

	<b>Page</b>
<b>Company Information</b>	<b>1</b>
<b>Strategic Report</b>	<b>2</b>
<b>Report of the Directors</b>	<b>3</b>
<b>Report of the Independent Auditors</b>	<b>5</b>
<b>Income Statement</b>	<b>7</b>
<b>Other Comprehensive Income</b>	<b>8</b>
<b>Statement of Financial Position</b>	<b>9</b>
<b>Statement of Changes in Equity</b>	<b>10</b>
<b>Statement of Cash Flows</b>	<b>11</b>
<b>Notes to the Statement of Cash Flows</b>	<b>12</b>
<b>Notes to the Financial Statements</b>	<b>13</b>

**Allied International Trading Limited**  
**Company Information**  
**for the Year Ended 31 December 2018**

<b>DIRECTORS:</b>	P Akhtar Mrs S Akhtar Mrs RJ Parvez
<b>REGISTERED OFFICE:</b>	Unit 3, Rabone Lane Rabone Park Smethwick B66 2NN
<b>REGISTERED NUMBER:</b>	03232058 (England and Wales)
<b>AUDITORS:</b>	J Raja & Company, Statutory Auditor 962 Eastern Avenue Newbury Park Ilford Essex IG2 7JD
<b>BANKERS:</b>	Barclays Bank PLC 1 Churchill Place London E14 5HP

# **Allied International Trading Limited**

## **Strategic Report for the Year Ended 31 December 2018**

The directors present their strategic report for the year ended 31 December 2018.

### **BUSINESS REVIEW**

Following the move of Head Office and all business functions to Midlands, the business continued the planned investment in key personnel and expansion of product lines. The company has seen a slight growth in Revenue over the last years, but the true benefit of the move will be mid to long term.

Overall the Directors are pleased with company's position, profitability and believe the company is in a good position to grow in coming years.

In terms of key performance indicators, the Directors are pleased to report that gross profit measured as a percentage of sales to 31% a reflection of focus on quality and delivery of service. Profit before tax increased to £2.35 million which reflect the savings from Midland move and improved Gross profit.

### **BUSINESS RISK**

The principal risks facing the Company is business risk and financial instrument risks. The Company seeks to manage this risk by investing in new product ranges and differentiate themselves through improved service from price driven competition. The Company has a diversified portfolio of customer base which is serviced by highly trained sales and customer service staff. They manage existing and seek new business in a professional manner.

The Company's operations expose it to financial risks of customer default, currency fluctuations and raw material prices.

#### **Customer default**

The Company operates a proactive credit control system. All new customers are credit checked and credit limits are assigned. The payment terms are strictly adhered to and any customer in default of trading terms is actively pursued for settlement. By adopting this policy the Company hopes to minimise its bad debts. Credit risk is also managed by purchase of credit insurance for all major debtors.

#### **Foreign Currency fluctuations**

The company imports and pay for all purchases in US Dollars. The company manages its currency exposure to fluctuation through a combination of foreign currency hedging and monitoring the spot rate.

#### **Raw material prices**

The Company imports its product range. This leaves it exposed to raw material price instability. The risk is mitigated through negotiating long term contracts and managing stock better through just-in-time ordering system.

### **RESEARCH AND DEVELOPMENT**

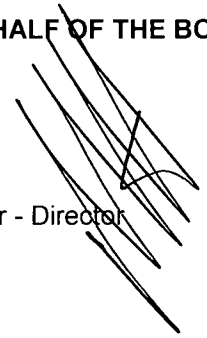
The company is committed to a continuous process of researching new materials, market sectors, developing and launching new quality products that meet EU standards. The introduction of new products and compliance of existing products up to the required standards result in research and development which has been essential support to the business.

### **FUTURE DEVELOPMENTS**

The company plans to continue the growth and profitability through expansion of its product range, investing in workforce, refining its technical abilities. The Directors are also open to the idea of growing the company via strategic alliances and acquisitions.

### **ON BEHALF OF THE BOARD:**

P Akhtar - Director



## **Allied International Trading Limited**

### **Report of the Directors for the Year Ended 31 December 2018**

The directors present their report with the financial statements of the company for the year ended 31 December 2018.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of import & distribution of disposable hygiene, protective clothing and footwear.

#### **DIVIDENDS**

An interim dividend of 0.2 per share was paid on 31 December 2018. The directors recommend that no final dividend be paid.

The total distribution of dividends for the year ended 31 December 2018 will be £90,000.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2018 to the date of this report.

P Akhtar  
Mrs S Akhtar  
Mrs RJ Parvez

#### **CHARITABLE DONATIONS**

Charitable donations during the year amounted to £20,000 (2017: £7,580).

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, Report of the Directors 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;
- 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.

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Allied International Trading Limited**

**Report of the Directors  
for the Year Ended 31 December 2018**

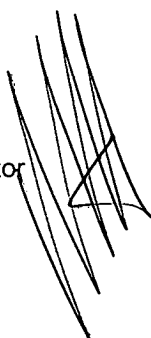
**AUDITORS**

The auditors, J Raja & Company, Statutory Auditor, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

P Akhtar - Director

30 August 2019

A handwritten signature in black ink, consisting of several overlapping, slanted strokes, positioned to the right of the text 'P Akhtar - Director'.

## **Report of the Independent Auditors to the Members of Allied International Trading Limited**

### **Opinion**

We have audited the financial statements of Allied International Trading Limited (the 'company') for the year ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 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 Auditors' 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 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 or a material misstatement of the other information. 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 the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

## **Report of the Independent Auditors to the Members of Allied International Trading Limited**

### **Matters on which we are required to report by exception**

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

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 Statement of Directors' Responsibilities set out on page three, 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 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.

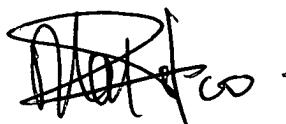
### **Auditors' responsibilities for the audit of the financial statements**

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 a Report of the Auditors 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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **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 a Report of the Auditors 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.



Jamil Raja (Senior Statutory Auditor)  
For and on behalf of J Raja & Company, Statutory Auditor  
962 Eastern Avenue  
Newbury Park  
Ilford  
Essex  
IG2 7JD

30 August 2019



# Allied International Trading Limited

## Income Statement

for the Year Ended 31 December 2018

	Notes	2018 £	2017 £
<b>TURNOVER</b>	3	<b>20,382,305</b>	18,624,538
Cost of sales		<u>14,056,854</u>	<u>12,854,160</u>
<b>GROSS PROFIT</b>		<b>6,325,451</b>	5,770,378
Distribution costs		798,685	662,580
Administrative expenses		<u>3,258,924</u>	<u>3,154,963</u>
		<b>4,057,609</b>	<u>3,817,543</u>
		<b>2,267,842</b>	1,952,835
Other operating income		<u>133,071</u>	<u>134,573</u>
<b>OPERATING PROFIT</b>	5	<b>2,400,913</b>	2,087,408
Interest receivable and similar income		<u>3,642</u>	<u>908</u>
		<b>2,404,555</b>	2,088,316
Interest payable and similar expenses	6	<u>57,749</u>	<u>34,726</u>
<b>PROFIT BEFORE TAXATION</b>		<b>2,346,806</b>	2,053,590
Tax on profit	7	<u>527,853</u>	<u>387,516</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<u><b>1,818,953</b></u>	<u><b>1,666,074</b></u>

The notes form part of these financial statements

**Allied International Trading Limited**

**Other Comprehensive Income**

**for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
<b>PROFIT FOR THE YEAR</b>		<b>1,818,953</b>	1,666,074
<b>OTHER COMPREHENSIVE INCOME</b>			
Deferred tax adjustment on revaluation			
- freehold property			
- investment property			
Income tax relating to other comprehensive income		(1,447)	(5,000)
<b>OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF INCOME TAX</b>		<u>(1,447)</u>	<u>(5,000)</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>1,817,506</b></u>	<u>1,661,074</u>

The notes form part of these financial statements

**Statement of Financial Position  
31 December 2018**

	Notes	2018		2017	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		4,871,162		4,727,341
Investment property	10		<u>365,000</u>		<u>355,000</u>
			5,236,162		5,082,341
<b>CURRENT ASSETS</b>					
Stocks	11	2,956,292		2,732,656	
Debtors	12	3,987,701		4,274,985	
Cash at bank and in hand		<u>2,438,305</u>		<u>1,861,696</u>	
		9,382,298		8,869,337	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>2,635,623</u>		<u>3,761,370</u>	
<b>NET CURRENT ASSETS</b>			<u>6,746,675</u>		<u>5,107,967</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			11,982,837		10,190,308
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		(851,172)		(851,172)
<b>PROVISIONS FOR LIABILITIES</b>	18		<u>(310,973)</u>		<u>(245,950)</u>
<b>NET ASSETS</b>			<u>10,820,692</u>		<u>9,093,186</u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		450,000		450,000
Revaluation reserve	20		2,134,152		2,134,152
Fair value reserve	20		44,824		36,271
Retained earnings	20		<u>8,191,716</u>		<u>6,472,763</u>
<b>SHAREHOLDERS' FUNDS</b>			<u>10,820,692</u>		<u>9,093,186</u>

The financial statements were approved by the Board of Directors on 30 August 2019 and were signed on its behalf by:

P Akhtar - Director

The notes form part of these financial statements

# **Allied International Trading Limited**

## **Statement of Changes in Equity for the Year Ended 31 December 2018**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Revaluation reserve £</b>	<b>Fair value reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2017</b>	450,000	4,856,689	2,134,152	16,271	7,457,112
<b>Changes in equity</b>					
Dividends	-	(25,000)	-	-	(25,000)
Total comprehensive income	-	<u>1,641,074</u>	-	<u>20,000</u>	<u>1,661,074</u>
<b>Balance at 31 December 2017</b>	<u>450,000</u>	<u>6,472,763</u>	<u>2,134,152</u>	<u>36,271</u>	<u>9,093,186</u>
<b>Changes in equity</b>					
Dividends	-	(90,000)	-	-	(90,000)
Total comprehensive income	-	<u>1,808,953</u>	-	<u>8,553</u>	<u>1,817,506</u>
<b>Balance at 31 December 2018</b>	<u>450,000</u>	<u>8,191,716</u>	<u>2,134,152</u>	<u>44,824</u>	<u>10,820,692</u>

The notes form part of these financial statements

# **Allied International Trading Limited**

## **Statement of Cash Flows for the Year Ended 31 December 2018**

	Notes	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	1,619,113	(397,717)
Interest paid		(55,454)	(32,993)
Interest element of hire purchase payments paid		(2,295)	(1,733)
Value adjustments		(10,000)	(25,000)
Tax paid		<u>(483,575)</u>	<u>(378,294)</u>
Net cash from operating activities		<u>1,067,789</u>	<u>(835,737)</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(326,321)	(22,931)
Sale of tangible fixed assets		8,333	1,850
Sale of investment property		-	381,000
Interest received		<u>3,642</u>	<u>908</u>
Net cash from investing activities		<u>(314,346)</u>	<u>360,827</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		-	(284,854)
Capital repayments in year		(49,904)	(52,755)
Net amount introduced by directors		-	21,691
Amount withdrawn by directors		(142,198)	-
Equity dividends paid		<u>(90,000)</u>	<u>(25,000)</u>
Net cash from financing activities		<u>(282,102)</u>	<u>(340,918)</u>
<b>Increase/(decrease) in cash and cash equivalents</b>		<b>471,341</b>	<b>(815,828)</b>
<b>Cash and cash equivalents at beginning of year</b>	2	<b>1,607,982</b>	<b>2,423,810</b>
<b>Cash and cash equivalents at end of year</b>	2	<b><u>2,079,323</u></b>	<b><u>1,607,982</u></b>

The notes form part of these financial statements

# Allied International Trading Limited

## Notes to the Statement of Cash Flows for the Year Ended 31 December 2018

### 1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2018 £	2017 £
Profit before taxation	2,346,806	2,053,590
Depreciation charges	160,876	157,892
Loss/(profit) on disposal of fixed assets	13,291	(53,120)
Finance costs	57,749	34,726
Finance income	<u>(3,642)</u>	<u>(908)</u>
	<b>2,575,080</b>	<b>2,192,180</b>
Increase in stocks	<b>(223,636)</b>	<b>(351,501)</b>
Decrease/(increase) in trade and other debtors	<b>287,284</b>	<b>(199,825)</b>
Decrease in trade and other creditors	<b><u>(1,019,615)</u></b>	<b><u>(2,038,571)</u></b>
<b>Cash generated from operations</b>	<b><u>1,619,113</u></b>	<b><u>(397,717)</u></b>

### 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

#### Year ended 31 December 2018

	31.12.18 £	1.1.18 £
Cash and cash equivalents	2,438,305	1,861,696
Bank overdrafts	<u>(358,982)</u>	<u>(253,714)</u>
	<b><u>2,079,323</u></b>	<b><u>1,607,982</u></b>

#### Year ended 31 December 2017

	31.12.17 £	1.1.17 £
Cash and cash equivalents	1,861,696	2,626,922
Bank overdrafts	<u>(253,714)</u>	<u>(203,112)</u>
	<b><u>1,607,982</u></b>	<b><u>2,423,810</u></b>

The notes form part of these financial statements

# **Allied International Trading Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2018**

### **1. STATUTORY INFORMATION**

Allied International Trading Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

### **2. ACCOUNTING POLICIES**

#### **Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

#### **Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover is recognised on the date that the goods are physically despatched to the customer and is stated net of trade discounts.

#### **Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 50 years based on cost/revalued amount
Plant and machinery	- 25% on reducing balance
Fixtures and fittings	- 25% on reducing balance
Motor vehicles	- 25% on reducing balance

Land and buildings held and used in the Company's own activities for production and supply of goods or for administrative purposes are stated in the statement of financial position at their revalued amounts. Their revalued amounts equate to the fair value at the date of revaluation, less any depreciation or impairment losses subsequently accumulated.

Revaluations are carried out regularly so that the carrying amounts do not materially differ from using the fair value at the date of the statement of financial position. No transfer is made from the revaluation reserve to retained earnings unless an asset is derecognised.

#### **Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

#### **Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Net realisable value is based on the estimated selling price less any estimated selling costs.

#### **Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.

## Allied International Trading Limited

### Notes to the Financial Statements - continued for the Year Ended 31 December 2018

#### 2. ACCOUNTING POLICIES - continued

##### Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

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

##### Research and development

Expenditure on research and development is written off in the year in which it is incurred.

##### Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

##### Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the statement of financial position. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

##### Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

#### 3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2018	2017
	£	£
United Kingdom	18,501,362	17,080,372
Europe	1,861,635	1,523,756
Rest of the world	19,308	20,410
	<u>20,382,305</u>	<u>18,624,538</u>



# Allied International Trading Limited

## Notes to the Financial Statements - continued for the Year Ended 31 December 2018

### 4. EMPLOYEES AND DIRECTORS

	2018	2017
	£	£
Wages and salaries	1,634,440	1,509,234
Social security costs	135,618	120,389
Other pension costs	18,805	9,837
	<u>1,788,863</u>	<u>1,639,460</u>

The average number of employees during the year was as follows:

	2018	2017
Directors	3	3
Sales	25	24
Administration	16	12
Distribution	20	15
	<u>64</u>	<u>54</u>

	2018	2017
	£	£
Directors' remuneration	89,941	71,393
Directors' pension contributions to money purchase schemes	744	217

### 5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2018	2017
	£	£
Hire of plant and machinery	65,907	62,993
Depreciation - owned assets	160,876	136,371
Depreciation - assets on hire purchase contracts	-	21,523
Loss/(profit) on disposal of fixed assets	13,291	(53,120)
Auditors' remuneration	10,000	9,000
Auditors' remuneration for non audit work	7,000	7,596

The above directors' emoluments consist of directors' remunerations and benefits in kind.

### 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2018	2017
	£	£
Bank loan interest	55,277	32,800
Interest on overdue tax	177	193
Hire purchase interest	2,295	1,733
	<u>57,749</u>	<u>34,726</u>

# **Allied International Trading Limited**

## **Notes to the Financial Statements - continued for the Year Ended 31 December 2018**

### **7. TAXATION**

#### **Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2018 £	2017 £
Current tax:		
UK corporation tax	464,277	388,938
Deferred tax	<u>63,576</u>	<u>(1,422)</u>
Tax on profit	<u><u>527,853</u></u>	<u><u>387,516</u></u>

#### **Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2018 £	2017 £
Profit before tax	<u><u>2,346,806</u></u>	<u><u>2,053,590</u></u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 20%)	445,893	410,718
Effects of:		
Expenses not deductible for tax purposes	200	1,490
Depreciation in excess of capital allowances	19,392	14,772
Adjustments to tax charge in respect of previous periods	692	181
R&D expenditure claim	-	(22,599)
Deferred tax adjustment	63,576	(1,422)
Capital gains	-	(10,624)
Value adjustments of investment property	<u>(1,900)</u>	<u>(5,000)</u>
Total tax charge	<u><u>527,853</u></u>	<u><u>387,516</u></u>

#### **Tax effects relating to effects of other comprehensive income**

	Gross £	2018 Tax £	Net £
Deferred tax adjustment on revaluation			
- freehold property	-	(1,447)	(1,447)
- investment property	-	(1,447)	(1,447)
	<u>-</u>	<u>(1,447)</u>	<u>(1,447)</u>
	Gross £	2017 Tax £	Net £
Deferred tax adjustment on revaluation			
- freehold property	-	(5,000)	(5,000)
- investment property	-	(5,000)	(5,000)
	<u>-</u>	<u>(5,000)</u>	<u>(5,000)</u>

# Allied International Trading Limited

## Notes to the Financial Statements - continued for the Year Ended 31 December 2018

### 8. DIVIDENDS

	2018 £	2017 £
Ordinary shares of £1.00 each		
Interim	<u>90,000</u>	<u>25,000</u>

### 9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 January 2018	4,775,000	194,695	373,265	186,767	5,529,727
Additions	276,653	15,270	34,399	(1)	326,321
Disposals	-	-	-	(51,258)	(51,258)
At 31 December 2018	<u>5,051,653</u>	<u>209,965</u>	<u>407,664</u>	<u>135,508</u>	<u>5,804,790</u>
<b>DEPRECIATION</b>					
At 1 January 2018	211,714	180,124	301,967	108,581	802,386
Charge for year	112,950	7,460	26,424	14,042	160,876
Eliminated on disposal	-	-	-	(29,634)	(29,634)
At 31 December 2018	<u>324,664</u>	<u>187,584</u>	<u>328,391</u>	<u>92,989</u>	<u>933,628</u>
<b>NET BOOK VALUE</b>					
At 31 December 2018	<u>4,726,989</u>	<u>22,381</u>	<u>79,273</u>	<u>42,519</u>	<u>4,871,162</u>
At 31 December 2017	<u>4,563,286</u>	<u>14,571</u>	<u>71,298</u>	<u>78,186</u>	<u>4,727,341</u>

Included in cost or valuation of land and buildings is freehold land of £600,000 (2017 - £600,000) which is not depreciated.

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
Valuation in 2006	2,631,500	-	-	-	2,631,500
Valuation in 2009	(1,556,745)	-	-	-	(1,556,745)
Valuation in 2016	280,997	-	-	-	280,997
Cost	<u>3,695,901</u>	<u>209,965</u>	<u>407,664</u>	<u>135,508</u>	<u>4,449,038</u>
	<u>5,051,653</u>	<u>209,965</u>	<u>407,664</u>	<u>135,508</u>	<u>5,804,790</u>

# Allied International Trading Limited

## Notes to the Financial Statements - continued for the Year Ended 31 December 2018

### 9. TANGIBLE FIXED ASSETS - continued

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>3,695,901</u>	<u>3,419,248</u>
Aggregate depreciation	<u>760,350</u>	<u>696,824</u>
Value of land in freehold land and buildings	<u>600,000</u>	<u>600,000</u>

Freehold land and buildings were valued on an open market basis on 18 November 2016 by Anderson Wilde & Harris, RICS.

The Directors are of the opinion that the value of freehold land and buildings is not materially different from their fair value at the date of the statement of financial position.

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	<b>Motor vehicles £</b>
<b>COST OR VALUATION</b>	
At 1 January 2018	153,048
Transfer to ownership	<u>(153,048)</u>
At 31 December 2018	-
<b>DEPRECIATION</b>	
At 1 January 2018	88,481
Transfer to ownership	<u>(88,481)</u>
At 31 December 2018	-
<b>NET BOOK VALUE</b>	
At 31 December 2018	-
At 31 December 2017	<u>64,567</u>

### 10. INVESTMENT PROPERTY

	<b>Total £</b>
<b>FAIR VALUE</b>	
At 1 January 2018	355,000
Revaluations	<u>10,000</u>
At 31 December 2018	<u>365,000</u>
<b>NET BOOK VALUE</b>	
At 31 December 2018	<u>365,000</u>
At 31 December 2017	<u>355,000</u>

# **Allied International Trading Limited**

## **Notes to the Financial Statements - continued for the Year Ended 31 December 2018**

### **10. INVESTMENT PROPERTY - continued**

Fair value at 31 December 2018 is represented by:

	£
Valuation in 2012	5,339
Valuation in 2013	10,000
Valuation in 2014	5,000
Valuation in 2017	25,000
Valuation in 2018	10,000
Cost	<u>309,661</u>
	<u><u>365,000</u></u>

If investment properties had not been revalued it would have been included at the following historical cost:

	2018 £	2017 £
Cost	<u>309,661</u>	<u>636,622</u>

Investment properties were valued on an open market basis on 31 December 2018 by the directors.

The directors are of the opinion that the carrying amount of investment properties reflect their fair value.

### **11. STOCKS**

	2018 £	2017 £
Stocks	<u>2,956,292</u>	<u>2,732,656</u>

### **12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Trade debtors	3,778,460	4,125,048
Other debtors	19,138	16,101
Payment on account for goods	106,387	54,782
Prepayments	<u>83,716</u>	<u>79,054</u>
	<u><u>3,987,701</u></u>	<u><u>4,274,985</u></u>

# **Allied International Trading Limited**

## **Notes to the Financial Statements - continued for the Year Ended 31 December 2018**

### **13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018	2017
	£	£
Bank loans and overdrafts (see note 15)	358,982	253,714
Hire purchase contracts (see note 16)	-	49,904
Trade creditors	1,333,408	2,402,560
Tax	369,640	388,938
Social security and other taxes	44,734	38,885
VAT	130,846	31,083
Credit balance on sales ledger	119,337	130,426
Directors' current accounts	2,635	144,833
Deferred income	22,739	17,665
Accrued expenses	253,302	303,362
	<u>2,635,623</u>	<u>3,761,370</u>

### **14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2018	2017
	£	£
Other creditors	<u>851,172</u>	<u>851,172</u>

### **15. LOANS**

An analysis of the maturity of loans is given below:

	2018	2017
	£	£
Amounts falling due within one year or on demand:		
Bank overdrafts	<u>358,982</u>	<u>253,714</u>

### **16. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2018	2017
	£	£
Gross obligations repayable:		
Within one year	<u>-</u>	<u>50,728</u>
Finance charges repayable:		
Within one year	<u>-</u>	<u>824</u>
Net obligations repayable:		
Within one year	<u>-</u>	<u>49,904</u>

# **Allied International Trading Limited**

## **Notes to the Financial Statements - continued for the Year Ended 31 December 2018**

### **17. SECURED DEBTS**

The following secured debts are included within creditors:

	2018 £	2017 £
Bank overdrafts	<u>358,982</u>	<u>253,714</u>

The above is secured by fixed and floating debenture over the company's assets, endorsement of credit insurance to the bank and personal guarantees of directors.

### **18. PROVISIONS FOR LIABILITIES**

	2018 £	2017 £
Deferred tax		
Accelerated capital allowances	(9,699)	(9,029)
Property revaluation	<u>320,672</u>	<u>254,979</u>
	<u>310,973</u>	<u>245,950</u>

	<b>Deferred tax £</b>
Balance at 1 January 2018	<b>245,950</b>
Revaluation of	
- Investment property	<b>1,900</b>
- Freehold property	<u><b>63,123</b></u>
Balance at 31 December 2018	<u><b>310,973</b></u>

### **19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2018	2017
Number:	Class:	Nominal value:	£	£
450,000	Ordinary	£1.00	<u><b>450,000</b></u>	<u><b>450,000</b></u>

# **Allied International Trading Limited**

## **Notes to the Financial Statements - continued for the Year Ended 31 December 2018**

### **20. RESERVES**

	Retained earnings £	Revaluation reserve £	Fair value reserve £	Totals £
At 1 January 2018	6,472,763	2,134,152	36,271	8,643,186
Profit for the year	1,818,953	-	-	1,818,953
Dividends	(90,000)	-	-	(90,000)
Transfer to FV reserve	(10,000)	-	10,000	-
Deferred tax	-	-	(1,447)	(1,447)
At 31 December 2018	<u>8,191,716</u>	<u>2,134,152</u>	<u>44,824</u>	<u>10,370,692</u>

The revaluation reserve balance relates to the freehold property held at the date of the statement of financial position. Fair value reserve represents reserve on revaluation of investment property.

### **21. ULTIMATE CONTROLLING PARTY**

The ultimate controlling party is P Akhtar.