

Company Registration No. 05766476 (England and Wales)

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

ALUPROF UK LIMITED

COMPANY INFORMATION

Director	W Brozyna
Company number	05766476 (England and Wales)
Registered office	Unit A5 Altrincham Business Park Stuart Road Broadheath Altrincham Cheshire WA14 5GJ
Auditor	Champion Accountants LLP 1 Worsley Court High Street Worsley Manchester M28 3NJ

ALUPROF UK LIMITED

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ALUPROF UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents the strategic report for the year ended 31 December 2020.

Fair review of the business

We continue to build our business with focus and determination. During the year we completed the development of our expanded warehouse, offices, and state of the art showroom. In doing so we have created a modern working environment for our team and innovative space to welcome clients and partners. We have successfully created an environment that is conducive to the wellbeing and productivity of our company.

We have strengthened all aspects of our team and are proud of our driven salesforce, dedicated technical department and efficient administrators. We continually look to develop and support our valued team.

We are satisfied with our performance during the year. Although there was a fall in sales during the year, we were able to maintain our profitability through improved efficiencies and a change in our product mix. Over the year we have developed many new relationships with developers and main contractors. At present we have many innovative projects which have been approved and enthusiastically await commencement of these developments.

We look forward with positivity and optimism. We will perpetually evolve and embrace new technologies and working practices. We understand the importance of our environment and have embarked upon an ambitious sustainability programme. Most of all we remain committed to the perpetual excellence and quality of all our products and services.

Key performance indicators

The key performance indicators are our turnover £17,553,935 (2019 - £18,784,329) and Profit before Taxation of £937,687 (2019 - £946,720) and continuing balance sheet strength.

We are also mindful of the non-financial indicators when reviewing our performance during the year. This would include our continued operations throughout the year, the retention of existing staff, recruitment of new team members and development of our innovative environment.

ALUPROF UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Covid-19

We are fully aware of the economic and social impact of Covid-19 on our company and society. Throughout the pandemic our priority has remained the well being of our staff and the staff of our suppliers and customers.

We have performed detailed Covid-19 Risk Assessments and are continually reviewing all our working practices. We have encouraged and supported the homeworking of our staff where possible. We have also ensured our offices are Covid-19 secure through the implementation of social distancing zones and sanitiser stations.

We remained fully functional throughout the pandemic and continued to support our staff and customers. We understood the government's desire to ensure the continued operation of construction industries and remained committed to making our own steadfast contribution.

In addition to the economic impact of Covid-19 we fully appreciate the detrimental impact of the pandemic on society and families. We recognised the challenges and difficulties faced within our communities. In accordance with our values, we have contributed to those enduring difficulties at this time and have made donations to charities supporting children and the homeless.

On behalf of the board

W Brozyna

Director

12 February 2021

ALUPROF UK LIMITED

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his annual report and financial statements for the year ended 31 December 2020.

Principal activities

The principal activity of the company continued to be the sale and distribution of aluminium architectural systems.

Results and dividends

The results for the year are set out on page 8.

During the year an interim dividend of £1.82 (2019: £1.82) and final dividend of £1.82 (2019: £3.64) per Ordinary Share was paid in respect of the financial year ended 31st December 2020.

Director

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

W Brozyna

Auditor

Champion Accountants LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of director's responsibilities

The director is responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless he is 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

The director is 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. He is 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.

ALUPROF UK LIMITED

DIRECTOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

W Brozyna

Director

12 February 2021

ALUPROF UK LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ALUPROF UK LIMITED

Opinion

We have audited the financial statements of Aluprof UK Limited (the 'company') for the year ended 31 December 2020 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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 director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

ALUPROF UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALUPROF UK 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 and the director's report.

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

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

Responsibilities of director

As explained more fully in the director's responsibilities statement, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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.

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

As part of our planning process:

- We enquired of management the systems and controls the company has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. The company did not inform us of any known, suspected or alleged fraud.
- We obtained an understanding of the legal and regulatory frameworks applicable to the company. We determined that the following were most relevant: IFRS, Companies Act 2006 & GDPR.
- We considered the incentives and opportunities that exist in the company, including the extent of management bias, which present a potential for irregularities and fraud to be perpetuated, and tailored our risk assessment accordingly.
- Using our knowledge of the company, together with the discussions held with the company at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

ALUPROF UK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ALUPROF UK LIMITED

- Identifying and testing journal entries and the overall accounting records, in particular those that were significant and unusual.
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.
- Reviewing and challenging the assumptions and judgements used by management in their significant accounting estimates, in particular in relation to deferred income, depreciation methods & cut-off.
- Assessing the extent of compliance, or lack of, with the relevant laws and regulations.
- Testing key revenue lines, in particular cut-off, for evidence of management bias.
- Performing a physical verification of key assets.
- Obtaining third-party confirmation of material bank balances.
- Documenting and verifying all significant related party balances and transactions.

There are inherent limitations in the audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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 him 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.

Mark Turner FCA (Senior Statutory Auditor)
For and on behalf of Champion Accountants LLP

12 February 2021

Chartered Accountants
Statutory Auditor

1 Worsley Court
High Street
Worsley
Manchester
M28 3NJ

ALUPROF UK LIMITED

INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Revenue	3	17,553,935	18,784,329
Cost of sales		(14,272,162)	(15,429,727)
Gross profit		3,281,773	3,354,602
Other operating income		40,447	-
Administrative expenses		(2,355,901)	(2,339,079)
Operating profit	4	966,319	1,015,523
Finance costs	7	(28,632)	(68,803)
Profit before taxation		937,687	946,720
Income tax expense	8	(173,163)	(174,049)
Profit and total comprehensive income for the year		764,524	772,671

The income statement has been prepared on the basis that all operations are continuing operations.

ALUPROF UK LIMITED

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

	Notes	2020 £	2019 £
Assets			
Non-current assets			
Intangible assets	10	6,594	24,540
Property, plant and equipment	11	1,244,031	1,469,494
		<u>1,250,625</u>	<u>1,494,034</u>
Current assets			
Inventories	12	305,390	155,555
Trade and other receivables	13	3,636,969	4,586,176
Cash and cash equivalents		2,316,473	744,707
		<u>6,258,832</u>	<u>5,486,438</u>
Total assets		<u><u>7,509,457</u></u>	<u><u>6,980,472</u></u>
Equity and liabilities			
Current liabilities			
Trade and other payables	15	4,174,591	4,121,275
Current tax liabilities		93,449	63,686
Lease liabilities	16	201,729	254,335
Provisions	18	210,820	161,838
		<u>4,680,589</u>	<u>4,601,134</u>
Non-current liabilities			
Lease liabilities	16	595,701	738,772
Deferred tax liabilities	17	66,045	37,768
		<u>661,746</u>	<u>776,540</u>
Total liabilities		<u>5,342,335</u>	<u>5,377,674</u>
Equity			
Called up share capital	20	55,000	55,000
Retained earnings		2,112,122	1,547,798
Total equity		<u>2,167,122</u>	<u>1,602,798</u>
Total equity and liabilities		<u><u>7,509,457</u></u>	<u><u>6,980,472</u></u>

The financial statements were approved and signed by the director and authorised for issue on 12 February 2021

W Brozyna

Director

Company Registration No. 05766476

ALUPROF UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Share capital £	Retained earnings £	Total £
Balance at 1 January 2019		55,000	1,075,427	1,130,427
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	772,671	772,671
Dividends	9	-	(300,300)	(300,300)
Balance at 31 December 2019		55,000	1,547,798	1,602,798
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	764,524	764,524
Dividends	9	-	(200,200)	(200,200)
Balance at 31 December 2020		55,000	2,112,122	2,167,122

ALUPROF UK LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	24	2,186,815		935,002	
Interest paid		(28,632)		(68,803)	
Tax paid		(115,123)		(137,566)	
Net cash inflow from operating activities		2,043,060		728,633	
Investing activities					
Purchase of property, plant and equipment		(120,711)		(400,032)	
Proceeds on disposal of property, plant and equipment		45,294		60,646	
Net cash used in investing activities		(75,417)		(339,386)	
Financing activities					
Payment of lease liabilities		(195,677)		(176,497)	
Dividends paid		(200,200)		(300,300)	
Net cash used in financing activities		(395,877)		(476,797)	
Net increase/(decrease) in cash and cash equivalents		1,571,766		(87,550)	
Cash and cash equivalents at beginning of year		744,707		832,257	
Cash and cash equivalents at end of year		2,316,473		744,707	

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

Company information

Aluprof UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit A5 Altrincham Business Park, Stuart Road Broadheath, Altrincham, Cheshire, WA14 5GJ. The company's principal activities and nature of its operations are disclosed in the director's report.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

1.2 Going concern

The director has at the time of approving the financial statements, a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus he continues to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Revenue

Revenue is recognised when products and services are delivered.

1.4 Intangible assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

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

Licences, software and development costs

- Licence are amortised on a straight line basis over the assets estimated useful economic life of ten years
- Software is amortised on a straight line basis over the assets estimated useful economic life of three years
- Product development costs are amortised on a straight line basis over the assets estimated useful economic life of three years.

1.5 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

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

Leasehold improvements	Straight line over the life of the lease
Fixtures and fittings	15% on reducing balance basis
Plant and equipment	Straight line over 15 years
Computers	Straight line over 5 years
Right-of-use assets	Period of the lease

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in the income statement.

1.6 Impairment of tangible and intangible assets

At each reporting end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

1.7 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

The FIFO cost model has been adopted for valuing inventories.

1.8 Cash and cash equivalents

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

1.9 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They arise principally from the provision of goods and services to customers (eg trade receivables). They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment where necessary.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been affected.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.10 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.11 Equity instruments

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

1.12 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

1.13 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.14 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.15 Retirement benefits

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

1.16 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date plus any initial direct costs and an estimate of the cost of obligations to dismantle, remove, refurbish or restore the underlying asset and the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of other property, plant and equipment. The right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are unpaid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed payments, variable lease payments that depend on an index or a rate, amounts expected to be payable under a residual value guarantee, and the cost of any options that the company is reasonably certain to exercise, such as the exercise price under a purchase option, lease payments in an optional renewal period, or penalties for early termination of a lease.

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies

(Continued)

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in: future lease payments arising from a change in an index or rate; the company's estimate of the amount expected to be payable under a residual value guarantee; or the company's assessment of whether it will exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.17 Grants

Government grants are recognised when there is reasonable assurance that the grant conditions will be met and the grants will be received.

1.18 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Estimation techniques include methods of depreciation as stated within the accounting policies. The provision for bad debts is measured by the collectability of individual debtors and is determined by the management. Estimation techniques are also used to derive the estimated useful life of the intangible assets and the amortisation required in order to write down these assets over their lifetime. Discount factor used in the net present value calculation of lease liabilities.

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

3 Revenue

	2020	2019
	£	£
Revenue analysed by class of business		
Building Systems	12,787,622	15,726,825
Roller Shutters	4,572,853	2,895,501
Other	193,460	162,003
	<u>17,553,935</u>	<u>18,784,329</u>
	2020	2019
	£	£
Other significant revenue		
Grants received	40,447	-
	<u>40,447</u>	<u>-</u>

4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses	(10,773)	35,521
Research and development costs	31,672	-
Government grants	(40,447)	-
Fees payable to the company's auditor for the audit of the company's financial statements	6,000	6,000
Depreciation of property, plant and equipment	336,839	277,220
Profit on disposal of property, plant and equipment	(35,959)	(49,095)
Amortisation of intangible assets (included within administrative expenses)	17,946	23,224
Cost of inventories recognised as an expense	<u>14,272,162</u>	<u>15,429,727</u>

5 Employees

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

	2020	2019
	Number	Number
Management	1	1
Administration	25	23
Sales	5	4
	<u>31</u>	<u>28</u>

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

5	Employees	(Continued)	
	Their aggregate remuneration comprised:		
		2020	2019
		£	£
	Wages and salaries	1,227,118	1,134,234
	Social security costs	141,434	135,290
	Pension costs	31,414	29,125
		<u>1,399,966</u>	<u>1,298,649</u>
		<u><u>1,399,966</u></u>	<u><u>1,298,649</u></u>
6	Director's remuneration		
		2020	2019
		£	£
	Remuneration for qualifying services	95,950	87,341
		<u>95,950</u>	<u>87,341</u>
		<u><u>95,950</u></u>	<u><u>87,341</u></u>
7	Finance costs		
		2020	2019
		£	£
	Interest on lease liabilities	28,239	68,315
	Other interest payable	393	488
		<u>28,632</u>	<u>68,803</u>
	Total interest expense	<u>28,632</u>	<u>68,803</u>
		<u><u>28,632</u></u>	<u><u>68,803</u></u>
8	Income tax expense		
		2020	2019
		£	£
	Current tax		
	UK corporation tax on profits for the current period	144,886	186,400
	Adjustments in respect of prior periods	-	(11,877)
		<u>144,886</u>	<u>174,523</u>
	Total UK current tax	<u>144,886</u>	<u>174,523</u>
		<u><u>144,886</u></u>	<u><u>174,523</u></u>
	Deferred tax		
	Origination and reversal of temporary differences	28,277	(474)
		<u>28,277</u>	<u>(474)</u>
		<u><u>28,277</u></u>	<u><u>(474)</u></u>
	Total tax charge	<u>173,163</u>	<u>174,049</u>
		<u><u>173,163</u></u>	<u><u>174,049</u></u>

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

8 Income tax expense

(Continued)

The charge for the year can be reconciled to the profit per the income statement as follows:

	2020 £	2019 £
Profit before taxation	937,687	946,720
Expected tax charge based on a corporation tax rate of 19.00% (2019: 19.00%)	178,161	179,877
Permanent capital allowances in excess of depreciation	5,101	6,523
Research and development tax credit	(10,099)	-
Under/(over) provided in prior years	-	(12,351)
Taxation charge for the year	173,163	174,049

9 Dividends

Amounts recognised as distributions:	2020 per share £	2019 per share £	2020 Total £	2019 Total £
Ordinary shares				
Final dividend paid	1.82	3.64	100,100	200,200
Interim dividend paid	1.82	1.82	100,100	100,100
	<u>3.64</u>	<u>5.46</u>	<u>200,200</u>	<u>300,300</u>

10 Intangible assets

	Licences, Software & Development £
Cost	
At 1 January 2019	166,207
At 31 December 2019	166,207
At 31 December 2020	166,207

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

10	Intangible assets	(Continued)
		Licences, Software & Development £
	Amortisation and impairment	
	At 1 January 2019	118,443
	Charge for the year	23,224
		<hr/>
	At 31 December 2019	141,667
	Charge for the year	17,946
		<hr/>
	At 31 December 2020	159,613
		<hr/>
	Carrying amount	
	At 31 December 2020	6,594
		<hr/>
	At 31 December 2019	24,540
		<hr/>
	At 31 December 2018	47,764
		<hr/>

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Property, plant and equipment									
		Leasehold improvements	Assets under construction	Fixtures and fittings	Plant and equipment	Computers	Right-of-use assets	Total	
Cost		£	£	£	£	£	£	£	
At 1 January 2019		50,867	2,568	37,437	638,335	43,951	214,957	988,115	
Additions		61,987	243,419	27,253	61,150	6,223	923,614	1,323,646	
Disposals		-	-	-	(60,646)	-	-	(60,646)	
At 31 December 2019		112,854	245,987	64,690	638,839	50,174	1,138,571	2,251,115	
Additions		-	1,276	9,361	50,403	16,842	42,829	120,711	
Disposals		-	-	(1,589)	(74,283)	-	-	(75,872)	
Other		239,169	(247,263)	4,537	-	3,557	-	-	
At 31 December 2020		352,023	-	76,999	614,959	70,573	1,181,400	2,295,954	
Accumulated depreciation and impairment									
At 1 January 2019		47,654	-	21,131	455,033	29,678	-	553,496	
Charge for the year		10,500	-	3,196	78,907	5,734	178,883	277,220	
Eliminated on disposal		-	-	-	(49,095)	-	-	(49,095)	
At 31 December 2019		58,154	-	24,327	484,845	35,412	178,883	781,621	
Charge for the year		29,841	-	7,669	67,363	8,908	223,058	336,839	
Eliminated on disposal		-	-	(1,161)	(65,376)	-	-	(66,537)	
At 31 December 2020		87,995	-	30,835	486,832	44,320	401,941	1,051,923	

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11	Property, plant and equipment	(Continued)						
		Leasehold improvements	Assets under construction	Fixtures and fittings	Plant and equipment	Computers	Right-of-use assets	Total
		£	£	£	£	£	£	£
Carrying amount								
At 31 December 2020		264,028	-	46,164	128,127	26,253	779,459	1,244,031
At 31 December 2019		54,700	245,987	40,363	153,994	14,762	959,688	1,469,494
At 31 December 2018		3,213	2,568	16,306	183,302	14,273	214,957	434,619

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Inventories

	2020 £	2019 £
Finished goods	305,390	155,555

13 Trade and other receivables

	2020 £	2019 £
Trade receivables	3,506,419	4,463,213
Prepayments	130,550	122,963
	3,636,969	4,586,176

Trade receivables includes an impairment of £66,680 (2019: £191,719).

14 Trade receivables - credit risk

Fair value of trade receivables

The director considers that the carrying amount of trade and other receivables is approximately equal to their fair value.

Ageing of past due but not impaired receivables	2020 £	2019 £
Trade receivables due within 3 months	3,134,103	3,928,799
Trade receivables due within 6 months	372,316	534,414
	3,506,419	4,463,213

15 Trade and other payables

	2020 £	2019 £
Trade payables	2,994,926	3,549,383
Accruals	34,500	94,910
Social security and other taxation	1,139,072	462,187
Other payables	6,093	14,795
	4,174,591	4,121,275

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

16 Lease liabilities

	2020	2019
	£	£
Maturity analysis		
Within one year	250,842	254,335
In two to three years	435,761	404,945
In over three years	328,614	541,860
Lease liabilities in the financial statements	1,015,217	1,201,140
Future finance charges and other adjustments	(217,787)	(208,033)
Lease liabilities in the financial statements	797,430	993,107

Lease liabilities are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020	2019
	£	£
Current liabilities	201,729	254,335
Non-current liabilities	595,701	738,772
	797,430	993,107

	2020	2019
	£	£
Amounts recognised in profit or loss include the following:		
Interest on lease liabilities	28,239	68,315

The fair value of the company's lease obligations is approximately equal to their carrying amount.

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

17 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon during the current and prior reporting period.

	ACAs £
Deferred tax liability at 1 January 2019	38,242
Deferred tax movements in prior year	
Charge/(credit) to profit or loss	(474)
Deferred tax liability at 1 January 2020	37,768
Deferred tax movements in current year	
Charge/(credit) to profit or loss	28,277
Deferred tax liability at 31 December 2020	66,045

18 Provisions for liabilities

Analysis of provisions

Provisions are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020 £	2019 £
Current liabilities	210,820	161,838
Movements on provisions:		
		£
At 1 January 2020		161,838
Additional provisions in the year		159,704
Utilisation of provision		(110,722)
At 31 December 2020		210,820

19 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £31,414 (2019 - £29,125).

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

20 Share capital

	2020	2019	2020	2019
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	55,000	55,000	55,000	55,000

21 Capital risk management

The company is not subject to any externally imposed capital requirements.

22 Related party transactions

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2020	2019	2020	2019
	£	£	£	£
Parent company	17,092	13,627	10,346,558	12,876,155
Entities with joint control or significant influence over the company	-	-	3,850,090	2,441,405
	<u>17,092</u>	<u>13,627</u>	<u>14,196,648</u>	<u>15,317,560</u>

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due to related parties		
Parent company	1,724,297	2,726,229
Entities with joint control or significant influence over the company	1,178,922	768,251
	<u>2,903,219</u>	<u>3,494,480</u>

Other information

During the course of the year the company purchased technical consulting services from WB Business Consulting Ltd amounting to £15,264 (2019 - £15,264). The director is related to WB Business Consulting Ltd by way of his interest in the Ordinary Share capital of that company. There was no balance outstanding at the year end during the current and prior year. The transactions were conducted on an arm's length basis and were subject to normal company terms and conditions.

23 Controlling party

The entire issued share capital was acquired on the 3rd April 2006 by Aluprof SA which is incorporated in Poland. The Group Report can be obtained from Krajowy Rejestr Sadowy in Poland. The ultimate controlling party is Grupa Kety SA which is a company that is listed on the Warsaw Stock Exchange.

ALUPROF UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Cash generated from operations

	2020	2019
	£	£
Profit for the year after tax	764,524	772,671
Adjustments for:		
Taxation charged	173,163	174,049
Finance costs	28,632	68,803
Gain on disposal of property, plant and equipment	(35,959)	(49,095)
Amortisation and impairment of intangible assets	17,946	23,224
Depreciation and impairment of property, plant and equipment	336,839	277,220
Increase in provisions	48,982	50,527
Movements in working capital:		
Increase in inventories	(149,835)	(42,562)
Decrease/(increase) in trade and other receivables	949,207	(282,532)
Increase/(decrease) in trade and other payables	53,316	(57,303)
Cash generated from operations	2,186,815	935,002

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