

Company Registration No. 02535536 (England and Wales)

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD FROM 01 NOVEMBER 2018 TO 31 MARCH 2020



ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

COMPANY INFORMATION

Directors	P M O'Sullivan D Evans (Appointed 2 March 2021)
Company number	02535536
Registered office	228 Briscoe Lane Manchester United Kingdom M40 2XG
Auditor	Azets Audit Services 2nd Floor Regis House 45 King William Street London United Kingdom EC4R 9AN

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

CONTENTS

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 7
Statement of comprehensive income	8
Balance sheet	9
Statement of changes in equity	10
Statement of cash flows	11
Notes to the financial statements	12 - 25

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 MARCH 2020

The directors present the strategic report for the period ended 31 March 2020.

Fair review of the business

The company's objectives during the period were to maintain its position as a leading supplier of steel reinforcement to UK window fabricators while continuing to grow sales of new non-steel ancillary fenestration products to its customer base. The company offers fabricators window reinforcement of comparable quality to window system house steel but at more competitive pricing.

The business delivered a strong financial performance during the period, and despite national restrictions being implemented at the end of March 2020 in response to the COVID-19 pandemic, the company completed a full final month's trading for the accounting period before operations entered a short period of shutdown. EBTIDA for the 17-month period is £2,151,753 (12 months to 31 October 2018: £1,478,937) on turnover of £14,756,183 (12 months to 31 October 2018: £10,583,503).

Principal risks and uncertainties

Foreign Currency Risk

Risks faced by the company during the forthcoming year relate to overseas purchases. With exchange rates fluctuating due to Brexit, gross margin and the need for hedging is being continually monitored by the Directors.

Liquidity Risk

The company seeks to manage financial risk by ensuring liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved by an invoice discounting facility.

Interest Rate Risk

The company finances its operations through a combination of retained profits, bank loans and finance leases. The company exposure to interest rate fluctuations on its borrowings is managed by the use of both fixed and floating facilities.

Credit Risk

The principal credit risk arises from the company's trade debtors. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are monitored on an ongoing basis and provision is made for doubtful debts where necessary.

Brexit

Following the decision to leave the European Union as a result of the referendum vote on 23 June 2016, uncertainty has increased surrounding the outlook of the UK economy. Although at present there appears to be minimal impact on consumer confidence, this uncertainty may ultimately impact on market confidence and as a result could potentially impact on the demand and price for products/services, which in turn may affect revenue, profit and cash flow.

Raw Materials

As suppliers and customers recover from the extended period of lockdown during the COVID-19 pandemic, raw material supply and pricing uncertainty is a key risk. The risk is being managed through careful planning of raw material pricing and ensuring that the company's products are priced appropriately in line with input prices.

COVID-19

While the COVID-19 pandemic has presented challenges in the short term, business outlook remains positive, with continued strong demand for the company's products. The impact of the shutdown of steel mill operations has impacted raw material availability and prices, but management remains focused on planning material procurement carefully and managing overheads as national restrictions are lifted.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

Key performance indicators

The company reviews and monitors its performance against a number of key performance indicators both financial and non-financial. The principal measures include revenue growth, maintaining service levels, improvement of gross margins and EBITDA. These are reviewed by the management team and reported to the Board on a monthly basis.

The Directors have and will continue to monitor all of the KPI's and daily operating controls and maintain a strong focus on increasing performance in all aspects of the business.

The main KPI's and corresponding results are as follows:

	2020	2018
Gross profit %	41.3 %	37.9%
Net profit %	12.1%	12.7%
EBITDA	£2,151,753	£1,478,937

Future developments

The company continues to invest in production plant and machinery to improve production efficiency and broaden its offering of roll-formed steel products.

Furthermore, the company will be leveraging the relationship with its sister-company, Aluminium Shapes Ltd, to further develop its offering of ancillary aluminium components to the fenestration sector.

On behalf of the board



P M O'Sullivan

Director

31 MAR 2021

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the period from 01 November 2018 to 31 March 2020.

Principal activities

The principal objective of the company is to continue its organic growth within the specialised reinforced steel market by supplying quality products, at competitive prices, backed with unrivalled levels of service and turnaround times.

Investments in manufacturing equipment, logistic solutions and employees have allowed Anglo to continue expanding its customer base in order to achieve these objectives.

Results and dividends

The results for the period are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the period and up to the date of signature of the financial statements were as follows:

C A O'Sullivan	(Resigned 2 March 2021)
P M O'Sullivan	
D Evans	(Appointed 2 March 2021)

Auditor

On 7 September 2020 Group Audit Services Limited trading as Wilkins Kennedy Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

In accordance with the company's articles, a resolution proposing that Azets Audit Services be reappointed as auditor of the company will be put at a General Meeting.

Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

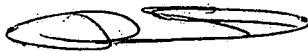
DIRECTORS' REPORT (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



P M O'Sullivan

Director

Date: 31/3/20

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

Qualified opinion

We have audited the financial statements of Anglo-European Import/Export Limited (the 'company') for the period ended 31 March 2020 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity, the statement of cash flows and 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 FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, except for the effects of the matter described in the "Basis for qualified opinion" paragraph, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its profit for the period 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 qualified opinion

As a result of the government imposed lockdown in response to the COVID-19 pandemic, it was not possible for us to attend a year end stock count. We have therefore been unable to obtain sufficient appropriate audit evidence to confirm that stock existed at the balance sheet date.

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

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 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. 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.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

In respect solely of the limitation on our work relating to stock, described above;

- we have not obtained all the information and explanations that we considered necessary for the purposes of our audit; and
- we were unable to determine whether adequate accounting records had been kept.

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

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

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

Use of our report

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

Azets Audit Services

Anil Kapoor (Senior Statutory Auditor)
For and on behalf of Azets Audit Services

31 March 2021
.....

Chartered Accountants
Statutory Auditor

2nd Floor
Regis House
45 King William Street
London
United Kingdom
EC4R 9AN

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED 31 MARCH 2020

		Period from 01 November 2018 to 31 March 2020 £	Year ended 31 October 2018 £
	Notes		
Turnover	3	14,756,183	10,583,503
Cost of sales		(8,656,780)	(6,562,792)
Gross profit		6,099,403	4,020,711
Administrative expenses		(4,287,684)	(2,658,036)
Other operating income		21,659	-
Operating profit	4	1,833,378	1,362,675
Interest receivable and similar income	7	59	20
Interest payable and similar expenses	8	(40,783)	(23,728)
Profit before taxation		1,792,654	1,338,967
Tax on profit	9	(288,232)	(180,405)
Profit for the financial period		1,504,422	1,158,562

The profit and loss account has been prepared on the basis that all operations are continuing operations.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

BALANCE SHEET

AS AT 31 MARCH 2020

	Notes	2020 £	£	2018 £	£
Fixed assets					
Tangible assets	10		776,580		831,766
Current assets					
Stocks	12	526,270		562,088	
Debtors	13	9,028,747		7,014,571	
Cash at bank and in hand		207,927		660,277	
		<u>9,762,944</u>		<u>8,236,936</u>	
Creditors: amounts falling due within one year	14	<u>(2,217,823)</u>		<u>(2,096,078)</u>	
Net current assets			7,545,121		6,140,858
Total assets less current liabilities			<u>8,321,701</u>		<u>6,972,624</u>
Creditors: amounts falling due after more than one year	15		(47,390)		(206,081)
Provisions for liabilities					
Deferred tax liability	18	<u>141,140</u>	<u>(141,140)</u>	<u>137,794</u>	<u>(137,794)</u>
Net assets			<u>8,133,171</u>		<u>6,628,749</u>
Capital and reserves					
Called up share capital	20		10		10
Profit and loss reserves			<u>8,133,161</u>		<u>6,628,739</u>
Total equity			<u>8,133,171</u>		<u>6,628,749</u>

The financial statements were approved by the board of directors and authorised for issue on 31 MARCH 2021 and are signed on its behalf by:



P M O'Sullivan
Director

Company Registration No. 02535536

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 MARCH 2020

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 November 2017	10	5,470,177	5,470,187
Period ended 31 October 2018:			
Profit and total comprehensive income for the period	-	1,158,562	1,158,562
		<hr/>	<hr/>
Balance at 31 October 2018	10	6,628,739	6,628,749
Period ended 31 March 2020:			
Profit and total comprehensive income for the period	-	1,504,422	1,504,422
		<hr/>	<hr/>
Balance at 31 March 2020	10	8,133,161	8,133,171
	<hr/>	<hr/>	<hr/>

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

STATEMENT OF CASH FLOWS

FOR THE PERIOD ENDED 31 MARCH 2020

	Notes	2020 £	£	2018 £	£
Cash flows from operating activities					
Cash generated from operations	24	144,757		848,665	
Interest paid		(40,783)		(23,728)	
Income taxes paid		(248,736)		(112,524)	
Net cash (outflow)/inflow from operating activities		(144,762)		712,413	
Investing activities					
Purchase of tangible fixed assets		(227,146)		(248,690)	
Proceeds on disposal of tangible fixed assets		12,550		7,914	
Receipts arising from loans made		-		1,929	
Interest received		59		20	
Net cash used in investing activities		(214,537)		(238,827)	
Financing activities					
Payment of finance leases obligations		(93,051)		40,491	
Net cash (used in)/generated from financing activities		(93,051)		40,491	
Net (decrease)/increase in cash and cash equivalents		(452,350)		514,077	
Cash and cash equivalents at beginning of period		660,277		146,200	
Cash and cash equivalents at end of period		207,927		660,277	

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

Company information

Anglo-European Import/Export Limited is a private company limited by shares incorporated in England and Wales. The registered office is 228 Briscoe Lane, Manchester, United Kingdom, M40 2XG.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

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

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

Anglo-European Import/Export Limited is a wholly owned subsidiary of Anglo European Group Limited and the results of Anglo-European Import/Export Limited are included in the consolidated financial statements of Anglo European Group Limited, which are available from Companies House, Cardiff, CF14 3UZ.

1.2 Going concern

The directors have considered the ongoing impact of the COVID-19 virus on the future viability of the company. At the date of preparing these financial statements, the full impact on the business cannot be quantified, however as the company's balance sheet presents net assets of £8,133,171 (2018: £6,628,749) which includes cash balances of £207,927 (2018: £660,277), the directors have a reasonable expectation that the company will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and have therefore prepared the financial statements on a going concern basis.

The directors have assessed the impact of COVID-19 and they do not believe it has had a material impact on any of the balances in the company's financial statements. The directors continue to consider the potential implications of the COVID-19 pandemic on the company's ability to continue as a going concern and have prepared forecasts to ensure it has sufficient reserves to meet liabilities as they fall due for the foreseeable future. Based on these forecasts, the directors have concluded that it is appropriate to prepare the financial statements on a going concern basis.

1.3 Reporting period

The accounting period has been extended from 31 October 2019 to 31 March 2020. As a result of this, the financial statements cover a period of 17 months.

1.4 Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.5 Tangible fixed assets

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

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

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:

Plant and equipment	10%, 20% & 25% p.a. reducing balance
Motor vehicles	25% p.a. reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible 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 Stocks

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

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.8 Cash and cash equivalents

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

1.9 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method. Financial assets classified as receivable within one year are not amortised.

Other financial assets

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

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

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

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Derecognition of financial liabilities

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

1.10 Equity instruments

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

1.11 Taxation

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

Current tax

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

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

1.12 Employee benefits

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

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

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

1.13 Retirement benefits

The company operates a defined contribution pension scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.14 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

1.15 Foreign exchange

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

2 Judgements and key sources of estimation uncertainty

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

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

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Leases

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the Company as lessee.

Key sources of estimation uncertainty

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

Tangible fixed assets

The useful economic life of tangible fixed assets has to be estimated by the directors of the company to ensure an appropriate depreciation charge is recognised each year.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

3 Turnover and other revenue

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

	2020 £	2018 £
Turnover analysed by class of business		
Metal components	14,756,183	10,583,503
	2020 £	2018 £
Other significant revenue		
Interest income	59	20
	2020 £	2018 £
Turnover analysed by geographical market		
United Kingdom	14,475,223	10,421,955
Ireland & Channel Islands	280,960	161,548
	14,756,183	10,583,503

4 Operating profit

	2020 £	2018 £
Operating profit for the period is stated after charging/(crediting):		
Fees payable to the company's auditor for the audit of the company's financial statements	16,800	14,400
Depreciation of owned tangible fixed assets	247,468	95,467
Depreciation of tangible fixed assets held under finance leases	70,907	20,795
(Profit)/loss on disposal of tangible fixed assets	(733)	438
Cost of stocks recognised as an expense	8,656,780	6,562,792
Operating lease charges	326,504	247,531

5 Employees

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

	2020 Number	2018 Number
Production staff	44	40
Administration staff	4	4
Sales staff	4	4
Total	52	48

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2020

5 Employees (Continued)

Their aggregate remuneration comprised:

	2020 £	2018 £
Wages and salaries	2,271,330	1,425,016
Social security costs	217,114	141,283
Pension costs	32,997	11,955
	<u>2,521,441</u>	<u>1,578,254</u>

6 Directors' remuneration

	2020 £	2018 £
Remuneration for qualifying services	174,697	166,898
Company pension contributions to defined contribution schemes	572	17
	<u>175,269</u>	<u>166,915</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2018 - 0).

7 Interest receivable and similar income

	2020 £	2018 £
Interest income		
Interest on bank deposits	59	20
	<u>59</u>	<u>20</u>

8 Interest payable and similar expenses

	2020 £	2018 £
Other finance costs:		
Interest on finance leases and hire purchase contracts	17,176	7,309
Other interest	23,607	16,419
	<u>40,783</u>	<u>23,728</u>

9 Taxation

	2020 £	2018 £
Current tax		
UK corporation tax on profits for the current period	284,886	161,617
	<u>284,886</u>	<u>161,617</u>

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

9 Taxation

(Continued)

	2020 £	2018 £
Deferred tax		
Origination and reversal of timing differences	3,346	18,788
	<u> </u>	<u> </u>
Total tax charge	<u>288,232</u>	<u>180,405</u>

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

	2020 £	2018 £
Profit before taxation	1,792,654	1,338,967
	<u> </u>	<u> </u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	340,604	254,404
Tax effect of expenses that are not deductible in determining taxable profit	3,221	2,178
Group relief	(63,471)	(79,346)
Permanent capital allowances in excess of depreciation	6,425	(17,479)
Other non-reversing timing differences	(1,893)	1,860
Deferred tax movement	3,346	18,788
	<u> </u>	<u> </u>
Taxation charge for the period	<u>288,232</u>	<u>180,405</u>

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

10 Tangible fixed assets

	Plant and equipment £	Motor vehicles £	Total £
Cost			
At 1 November 2018	1,780,609	32,850	1,813,459
Additions	262,506	12,500	275,006
Disposals	(44,086)	-	(44,086)
At 31 March 2020	1,999,029	45,350	2,044,379
Depreciation and impairment			
At 1 November 2018	977,303	4,390	981,693
Depreciation charged in the period	306,984	11,391	318,375
Eliminated in respect of disposals	(32,269)	-	(32,269)
At 31 March 2020	1,252,018	15,781	1,267,799
Carrying amount			
At 31 March 2020	747,011	29,569	776,580
At 31 October 2018	803,306	28,460	831,766

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts.

	2020 £	2018 £
Plant and equipment	187,260	238,030
Motor vehicles	15,155	21,289
	<u>202,415</u>	<u>259,319</u>

Included within the net book value of £776,580 is £263,951 (2018: £259,319) relating to assets held under finance leases or hire purchase contracts. The depreciation charged to the financial statements in the period in respect of such assets amounted to £70,907 (2018: 20,794).

11 Financial instruments

	2020 £	2018 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	8,857,019	6,956,014
Carrying amount of financial liabilities		
Measured at amortised cost	1,987,272	2,021,631

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2020

12 Stocks

	2020 £	2018 £
Raw materials	290,535	305,253
Finished goods	235,735	256,835
	<u>526,270</u>	<u>562,088</u>

13 Debtors

	2020 £	2018 £
Amounts falling due within one year:		
Trade debtors	1,620,808	1,815,420
Amounts owed by group undertakings	7,198,918	5,093,715
Other debtors	37,293	46,879
Prepayments and accrued income	171,728	58,557
	<u>9,028,747</u>	<u>7,014,571</u>

Included in other debtors is a balance of £34,699 (2018: £39,879) in connection with an invoice discounting facility. This balance could be immediately drawn.

14 Creditors: amounts falling due within one year

	Notes	2020 £	2018 £
Obligations under finance leases	17	87,910	74,410
Other borrowings	16	100,000	-
Trade creditors		1,361,533	1,587,644
Amounts owed to group undertakings		268,381	-
Corporation tax		112,900	76,750
Other taxation and social security		165,041	203,778
Other creditors		400	59,505
Accruals and deferred income		121,658	93,991
		<u>2,217,823</u>	<u>2,096,078</u>

Net obligations under hire purchase contracts are secured upon the assets to which they relate.

There is a fixed and floating charge over the assets of the company in favour of Octopus Apollo VCT PLC dated 19 October 2015.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2018 £
Obligations under finance leases	17	47,390	106,081
Other borrowings	16	-	100,000
		<u>47,390</u>	<u>206,081</u>

Net obligations under hire purchase contracts are secured upon the assets to which they relate.

16 Loans and overdrafts

	2020 £	2018 £
Preference shares	<u>100,000</u>	<u>100,000</u>
Payable within one year	100,000	-
Payable after one year	<u>-</u>	<u>100,000</u>

The non equity preference shares are deferred participating redeemable shares which were issued on 4th March 1999 and are redeemable by the company at par on or before 31st December 2020, or upon winding up or other return of capital of the company. The shares carry no votes at meetings nor any entitlement to dividends unless specifically declared by the board of directors.

17 Finance lease obligations

	2020 £	2018 £
Future minimum lease payments due under finance leases:		
Within one year	91,375	79,080
In two to five years	50,411	115,685
	<u>141,786</u>	<u>194,765</u>
Less: future finance charges	(6,486)	(14,274)
	<u>135,300</u>	<u>180,491</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3.4 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2020

18 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2018 £
Balances:		
Accelerated capital allowances	141,140	137,794
	<u> </u>	<u> </u>
Movements in the period:		2020 £
Liability at 1 November 2018		137,794
Charge to profit or loss		3,346
		<u> </u>
Liability at 31 March 2020		141,140
		<u> </u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

19 Retirement benefit schemes

	2020 £	2018 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	32,997	11,955
	<u> </u>	<u> </u>

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.

20 Share capital

	2020 Number	2018 Number	2020 £	2018 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	10	10	10	10
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE PERIOD ENDED 31 MARCH 2020

21 Operating lease commitments

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 £	2018 £
Within one year	183,547	105,425
Between two and five years	266,187	233,135
	<u>449,734</u>	<u>338,560</u>

22 Related party transactions

Transactions with related parties

The company has taken advantage of the exemption available in FRS 102 reduced disclosure framework whereby it has not disclosed transactions with the ultimate parent company or wholly owned subsidiary undertakings of the group.

The company is a wholly owned subsidiary of Anglo European Group Limited.

During the year the company made purchases of £401,791 (2018: £369,461) from Aluminium Shapes Limited, a related party through Anglo European Group Limited owning 100% of Aluminium Developments Group Limited which is the sole owner of Aluminium Shapes Limited. During the year, the company also made sales of £74,438 (2018: £nil) to Aluminium Shapes Limited. There was a balance owed from Aluminium Shapes Limited of £40,436 (2018: £105,338 owed to Aluminium Shapes Limited) at the year end.

Name of related party
Aluminium Shapes Limited
PM Consulting

Nature of relationship
Wholly owned subsidiary
Unincorporated Business of P M O'Sullivan

Description of transaction	Income		Payments	
	2020 £	2018 £	2020 £	2018 £
Aluminium Shapes Limited Purchases	74,438	-	401,791	-
PM Consulting Fixed assets	-	-	-	3,350
	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,350</u>

23 Ultimate controlling party

The ultimate parent company is Anglo European Group Limited. Anglo European Group Limited is a company registered in England and Wales and is the smallest and largest group for consolidation. Consolidated accounts for Anglo European Group Limited, which include this company, are available from Companies House, Crown Way, Cardiff, CF14 3UZ.

The ultimate controlling party is considered to be P M O'Sullivan and C A O'Sullivan by virtue of their majority shareholding in Anglo European Group Limited.

ANGLO-EUROPEAN IMPORT/EXPORT LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE PERIOD ENDED 31 MARCH 2020

24 Cash generated from operations

	2020 £	2018 £
Profit for the period after tax	1,504,422	1,158,562
Adjustments for:		
Taxation charged	288,232	180,405
Finance costs	40,783	23,728
Investment income	(59)	(20)
(Gain)/loss on disposal of tangible fixed assets	(733)	438
Depreciation and impairment of tangible fixed assets	318,375	116,262
Movements in working capital:		
Decrease in stocks	35,818	241,960
Increase in debtors	(2,014,176)	(491,926)
Decrease in creditors	(27,905)	(380,744)
Cash generated from operations	<u>144,757</u>	<u>848,665</u>