Registered number: 02559840

M & J (EUROPE) LIMITED

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

M & J (EUROPE) LIMITED
REGISTERED NUMBER: 02559840

BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note		2022 £		2021 £
Fixed assets					
Intangible assets	4		**191,860**		*242,584*
Tangible assets	5		**2,104,925**		*1,434,196*
			2,296,785		*1,676,780*
Current assets					
Stocks	6	**1,201,920**		*1,232,399*	
Debtors: amounts falling due within one year	7	**1,250,811**		*1,502,532*	
Cash at bank and in hand	8	**112,573**		*17,481*	
		2,565,304		*2,752,412*	
Creditors: amounts falling due within one year	9	**(1,649,360)**		*(1,901,446)*	
Net current assets			**915,944**		*850,966*
Total assets less current liabilities			**3,212,729**		*2,527,746*
Creditors: amounts falling due after more than one year	10		**(1,564,386)**		*(929,377)*
Provisions for liabilities					
Other provisions	13	**(193,026)**		*(193,026)*	
			(193,026)		*(193,026)*
Net assets			**1,455,317**		*1,405,343*
Capital and reserves					
Called up share capital			**20,000**		*20,000*
Profit and loss account			**1,435,317**		*1,385,343*
			1,455,317		*1,405,343*

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2022

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The Company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

Christopher Michael Garland
Director

Date: 26 September 2023

The notes on pages 5 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Called up share capital £	Profit and loss account £	Total equity £
At 1 January 2022	**20,000**	**1,385,343**	**1,405,343**
Comprehensive income for the year			
Profit for the year	**-**	**317,079**	**317,079**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**317,079**	**317,079**
Contributions by and distributions to owners			
Dividends: Equity capital	**-**	**(267,105)**	**(267,105)**
Total transactions with owners	**-**	**(267,105)**	**(267,105)**
At 31 December 2022	**20,000**	**1,435,317**	**1,455,317**

The notes on pages 5 to 17 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	**20,000**	**1,215,623**	**1,235,623**
Comprehensive income for the year			
Profit for the year	**-**	**296,912**	**296,912**
Other comprehensive income for the year	**-**	**-**	**-**
Total comprehensive income for the year	**-**	**296,912**	**296,912**
Contributions by and distributions to owners			
Dividends: Equity capital	**-**	**(127,192)**	**(127,192)**
Total transactions with owners	**-**	**(127,192)**	**(127,192)**
At 31 December 2021	**20,000**	**1,385,343**	**1,405,343**

The notes on pages 5 to 17 form part of these financial statements.

1. General information

M&J (Europe) Limited is a private company, limited by shares, registered in England and Wales.

The company's registered office address is as below:

Unit 28 Tafarnaubach Industrial Estate

Tafarnaubach

Tredegar

NP22 3AA

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The following principal accounting policies have been applied:

2.2 Going concern

Going concern

In preparing the financial statements, the directors have considered the current financial position and has also assessed the financial future of the business. The directors have concluded that it is appropriate to prepare the financial statements on a going concern basis. In forming this conclusion the directors have considered the company's net assets and the profit reported in the current financial year.

After making enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future and to meet its financial obligations as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and accounts.

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Research and development

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight-line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2. Accounting policies (continued)

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.7 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.8 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.9 Pensions

Defined contribution pension plan

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

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

2.10 Taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

2. Accounting policies (continued)

2.11 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.12 Tangible fixed assets

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

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line and reducing balance methods..

Depreciation is provided on the following basis:

Freehold property	-	20%	On Cost
Plant and machinery	-	10%	On reducing balance
Motor vehicles	-	25%	On reducing balance
Fixtures and fittings	-	10%	On reducing balance
Computer equipment	-	33%	On Cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

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

2.14 Debtors

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

2. Accounting policies (continued)

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

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

2.17 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

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

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

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

2. Accounting policies (continued)

2.18 Financial instruments (continued)

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

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

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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

2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

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

	2022 **No.**	*2021* *No.*
Average number of employees	**31**	*28*

4. Intangible assets

	Develop-ment expenditure
	£
Cost	
At 1 January 2022	**728,636**
At 31 December 2022	**728,636**
Amortisation	
At 1 January 2022	**486,052**
Charge for the year on owned assets	**50,725**
At 31 December 2022	**536,777**
Net book value	
At 31 December 2022	**191,859**
At 31 December 2021	*242,584*

5. Tangible fixed assets

	Freehold property	Plant and machinery	Motor vehicles	Fixtures and fittings	Computer equipment
	£	£	£	£	£
Cost or valuation					
At 1 January 2022	44,239	1,143,538	652,397	198,075	63,411
Additions	41,591	619,819	387,015	20,634	8,520
Disposals	-	-	(298,166)	-	-
At 31 December 2022	85,830	1,763,357	741,246	218,709	71,931
Depreciation					
At 1 January 2022	23,773	339,216	178,001	77,281	49,193
Charge for the year on owned assets	15,803	97,376	125,835	12,402	5,790
Disposals	-	-	(148,522)	-	-
At 31 December 2022	39,576	436,592	155,314	89,683	54,983
Net book value					
At 31 December 2022	46,254	1,326,765	585,932	129,026	16,948
At 31 December 2021	*20,466*	*804,322*	*474,396*	*120,794*	*14,218*

5. Tangible fixed assets (continued)

	Total
	£
Cost or valuation	
At 1 January 2022	**2,101,660**
Additions	**1,077,579**
Disposals	**(298,166)**
At 31 December 2022	**2,881,073**
Depreciation	
At 1 January 2022	**667,464**
Charge for the year on owned assets	**257,206**
Disposals	**(148,522)**
At 31 December 2022	**776,148**
Net book value	
At 31 December 2022	**2,104,925**
At 31 December 2021	*1,434,196*

5. Tangible fixed assets (continued)

The net book value of land and buildings may be further analysed as follows:

	2022	2021
	£	£
Freehold	**46,254**	*20,468*
	46,254	*20,468*

6. Stocks

	2022	2021
	£	£
Work in progress (goods to be sold)	**751,440**	*843,099*
Finished goods and goods for resale	**450,480**	*389,300*
	1,201,920	*1,232,399*

7. Debtors

	2022	2021
	£	£
Trade debtors	**1,050,542**	*1,256,745*
Amounts owed by group undertakings	**132,610**	*176,286*
Other debtors	**64,693**	*65,274*
Prepayments and accrued income	**2,966**	*4,227*
	1,250,811	*1,502,532*

8. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	**112,573**	*17,481*
Less: bank overdrafts	**(1,640)**	-
	110,933	*17,481*

9. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank overdrafts	1,640	-
Bank loans	303,038	419,916
Other loans	308,774	154,692
Trade creditors	343,133	326,374
Amounts owed to group undertakings	25,421	121,259
Other taxation and social security	226,208	428,386
Hire Purchase	375,857	392,419
Other creditors	35,799	17,747
Accruals and deferred income	29,490	40,653
	1,649,360	1,901,446

10. Creditors: Amounts falling due after more than one year

	2022	2021
	£	£
Bank loans	355,339	357,583
Other loans	61,667	46,875
Hire Purchase	1,147,380	524,919
	1,564,386	929,377

11. Loans

Analysis of the maturity of loans is given below:

	2022 £	*2021 £*
Amounts falling due within one year		
Bank loans	**303,038**	*419,916*
Other loans	**308,774**	*154,692*
	611,812	*574,608*
Amounts falling due 1-2 years		
Bank loans	**202,187**	*103,318*
Other loans	**61,667**	*37,500*
	263,854	*140,818*
Amounts falling due 2-5 years		
Bank loans	**153,152**	*254,265*
Other loans	**-**	*9,375*
	153,152	*263,640*
	1,028,818	*979,066*

12. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2022 £	*2021 £*
Within one year	**375,857**	*392,419*
Between 1-5 years	**1,147,380**	*524,919*
	1,523,237	*917,338*

13. Provisions

	Deferred Tax
	£
At 1 January 2022	**193,026**
At 31 December 2022	**193,026**