

**ANSELL ELECTRICAL PRODUCTS LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 JANUARY 2019**



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21/10/2019  
COMPANIES HOUSE

# ANSELL ELECTRICAL PRODUCTS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr M Carson Mr R Endo Mr Y Nakamura Mr K Endo Mr M S Abbott Mr I Kikuchi Mr A Chotai
<b>Company number</b>	04134581
<b>Registered office</b>	Unit 6B, Stonecross Industrial Park Yew Tree Way Warrington Cheshire WA3 3JD
<b>Auditor</b>	RSM UK Audit LLP Chartered Accountants Number One Lanyon Quay Belfast BT1 3LG
<b>Business address</b>	Unit 6B, Stonecross Industrial Park Yew Tree Way Warrington Cheshire WA3 3JD
<b>Bankers</b>	Danske Bank Donegall Square West Belfast N Ireland BT1 6JS
<b>Solicitors</b>	Worthingtons Solicitors 24 - 38 Gordon Street Belfast BT1 2LG

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# **ANSELL ELECTRICAL PRODUCTS LIMITED**

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# **ANSELL ELECTRICAL PRODUCTS LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors present the strategic report for the year ended 31 January 2019.

#### **Fair review of the business**

Our aim is to present a balanced and comprehensive review of the development and performance of the business during the year and its position at the year end. Our review is consistent with the size and nature of the business and is written in the context of the risks and uncertainties that may arise.

#### **Principal risks and uncertainties**

The wholesale of electrical lighting products continues to be competitive with new companies entering the market for LED lighting. The company seeks to maintain an advantage over its competitors by maintaining a strong product design resource to ensure its product range is continually renewed and updated. The company has also allocated resources to ensure that it can react and profit from innovations in the lighting market and to enhance the Ansell brand.

Through our facility in China the company maintains close relationships with a number of traditional suppliers and sources new suppliers to work in partnership to develop our product range.

The company is aware of the necessity to maintain its high level of service to its customers as the business continues to expand and a principal element of this is to invest in the necessary levels of stockholding.

The company also recognises the risk posed to maintaining its margins by volatility in the foreign currency markets as the company purchases a significant proportion of its products in a currency other than sterling. The company, however, will keep its pricing policies under review and is confident that its close relationship with its suppliers will also enable it to source its products at an acceptable cost.

#### **Analysis of development and performance**

During the year the company further developed its range of LED Lighting and the directors are satisfied that this continues to be well received by the market and that the company continues to maintain its good relationships with its key customers and customer buying groups.

The company has strengthened its management structures and systems to ensure these are adequate to meet the needs of the company in a period of growth.

To facilitate the increase in sales during the year the company has invested in extra resources across the whole business and the directors are satisfied that this was in line with maintaining the company's level of profitability.

# ANSELL ELECTRICAL PRODUCTS LIMITED

## STRATEGIC REPORT (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### Analysis based on key performance indicators

We consider our key performance indicators are turnover, gross margin, profit after taxation and growth in shareholders' funds.

The performance of the company is as follows:

	Year ended 31 January 2019 £'000's	Period ended 31 January 2018 £'000's
Turnover	62,143	42,291
Gross margins after distribution costs	27.8%	26.1%
Profit after taxation	6,289	3,670
Equity shareholders' funds	29,279	22,990

The directors are pleased to report satisfactory results across all key performance indicators for the year ended 31 January 2019. Turnover increased by 10% (pro rata) due to continued growth of the business with fellow Endo Lighting Corporation companies and external customers. Gross margin for year ended 31 January 2019 is marginally better than period ended 31 January 2018.

#### Other key performance indicators

##### Human Resources and Employee Involvement

The company encourages Employee involvement at all levels in the business and appointed a HR manager in the prior year to enhance this aspect of the company's activities.

The Senior Management Team has worked closely with the middle managers to enhance their knowledge of the wider business operations to promote an ethos of working together and in the past year has organised manager training to enhance the interaction of middle managers with the other staff in the business.

##### Environment

The company is subject to the Packaging Waste regulations and ensures that as much as possible of its waste packaging is recycled and has recently opened a cycle to work scheme for its employees.

##### Health & Safety


The directors are committed to ensuring the highest possible safety standards while ensuring compliance with applicable legislation. A comprehensive induction programme is delivered at the outset of employment for all staff and a Health and Safety management system is adequately supported with the provision of sufficient financial resources, management, training and expertise. The aim of the management system is to provide a safe work environment for all workers, ensuring that hazards are minimised to an acceptable level.

The HSE Officer regularly reports to the company board on Health and Safety issues.

On behalf of the board



Mr M Carson  
Director



Mr M S Abbott  
Director

Date: 12/04/19

# **ANSELL ELECTRICAL PRODUCTS LIMITED**

## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors present their annual report and financial statements for the year ended 31 January 2019.

#### **Principal activities**

The principal activity of the company continued to be that of the wholesale of electrical lighting products.

#### **Directors**

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

Mr M Carson  
Mr R Endo  
Mr Y Nakamura  
Mr K Endo  
Mr M S Abbott  
Mr I Kikuchi  
Mr Y Hirano  
Mr A Chotai

(Resigned 31 October 2018)

#### **Results and dividends**

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

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

#### **Financial instruments**

##### ***Financial risk management***

The company's operations expose it to a variety of financial risks that include the effects of changes in commodity prices, exchange rates, interest rate risk, credit risk and liquidity risk. The company's overall risk management programme seeks to minimise the potential adverse effects on the company's financial performance. Given the size and structure of the company, the directors have not delegated the responsibility of monitoring financial risk management but instead set the policies that are then implemented by the company.

##### ***Interest rate risk***

The company has interest based assets and liabilities, both of which bear interest at variable rates. The costs of managing our exposure to this risk are considered to exceed any potential benefits. The directors regularly revisit the appropriateness of this policy should there be a material change.

##### ***Foreign currency risk***

The company is exposed to foreign exchange risk in its normal course of business.

##### ***Credit risk***

The company has implemented the policy that we require credit checks to be performed on all potential customers before any sales are made. The amount of exposure to individual customers is monitored regularly by the company.

##### ***Commodity price risk***

The company is exposed to some commodity price risk as a result of its operations in various sectors. The costs of managing our exposure to this risk are considered to exceed any potential benefits. The directors regularly revisit the appropriateness of this policy should there be a material change in our size or operations.

# ANSELL ELECTRICAL PRODUCTS LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2019

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### Research and development

The company is involved in Research and Development of existing and new product lines. This helps keep the company up to date with customer demands and safety standards.

### Future developments

The directors will continue to identify and develop new business opportunities and products within the industry sector with the view to continued growth and plan to further develop opportunities beyond the UK market in the 2019/20 financial year. The directors believe that the strength of the company's range of products will continue to impact on the company's performance in the forthcoming financial year and the planned introduction in February 2019 of further new, innovative products will enhance the company's product range. In the directors' opinion the strength of the company's products and levels of customer service provide the company with a basis for continuing to grow its sales in the coming year. The company will also work closely with its suppliers to maintain the gross margin while still offering good value and high quality products to customers. Following the limited extension to the company's warehousing and office facilities at its Stonecross premises in the summer of 2016 and also the ongoing introduction of new IT systems the company is confident that it will have the facilities to support its planned further expansion in the 2019/20 financial year.

### Brexit

The Directors have taken steps to ensure appropriate provisions are in place within the Company's supply chain and distribution channels to ensure continuity of service regardless of any Brexit outcome. The Directors will review and consider foreign currency volatility in light of its risk appetite and put in place appropriate measures if considered appropriate.


### Auditor

The auditor, RSM UK Audit LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.


### 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, each director has taken all the necessary steps that they ought to have taken as a director 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



Mr M Carson  
Director



Mr M S Abbott  
Director

Date: 12/04/19

# **ANSELL ELECTRICAL PRODUCTS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

### **FOR THE YEAR ENDED 31 JANUARY 2019**

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The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANSELL ELECTRICAL PRODUCTS LIMITED**

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### **Opinion**

We have audited the financial statements of Ansell Electrical Products Limited (the 'company') for the year ended 31 January 2019 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, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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**

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.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ANSELL ELECTRICAL PRODUCTS LIMITED (CONTINUED)

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### 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.

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 set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 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.

*RSM UK Audit LLP*

Mr. Richard Gardiner FCA (Senior Statutory Auditor)  
For and on behalf of RSM UK Audit LLP, Statutory Auditor  
Chartered Accountants  
Number One  
Lanyon Quay  
Belfast  
BT1 3LG  
12/14/19

# ANSELL ELECTRICAL PRODUCTS LIMITED


## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2019

		Year ended 31 January 2019 £	Period ended 31 January 2018 £
	Notes		
Turnover	3	62,143,008	42,290,561
Cost of sales		(42,793,388)	(29,995,606)
<b>Gross profit</b>		<b>19,349,620</b>	<b>12,294,955</b>
Distribution costs		(2,051,353)	(1,268,819)
Administrative expenses		(9,469,385)	(6,133,284)
Exceptional patent charge	4	-	(418,434)
<b>Operating profit</b>	7	<b>7,828,882</b>	<b>4,474,418</b>
Interest receivable and similar income	9	50,937	-
Interest payable and similar expenses	10	(11,169)	(10,626)
<b>Profit before taxation</b>		<b>7,868,650</b>	<b>4,463,792</b>
Tax on profit	11	(1,579,962)	(793,310)
<b>Profit for the financial year</b>		<b>6,288,688</b>	<b>3,670,482</b>

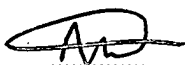
**ANSELL ELECTRICAL PRODUCTS LIMITED****BALANCE SHEET****AS AT 31 JANUARY 2019**

	Notes	2019 £	£	2018 £	£
<b>Fixed assets</b>					
Tangible assets	12	1,307,805		1,211,713	
Investments	13	2,728		-	
		<u>1,310,533</u>		<u>1,211,713</u>	
<b>Current assets</b>					
Stocks	16	10,791,890		11,916,125	
Debtors	17	17,888,681		13,647,900	
Cash at bank and in hand		19,026,287		8,979,123	
		<u>47,706,858</u>		<u>34,543,148</u>	
<b>Creditors: amounts falling due within one year</b>	18	(17,988,392)		(11,790,848)	
<b>Net current assets</b>		<u>29,718,466</u>		<u>22,752,300</u>	
<b>Total assets less current liabilities</b>		<u>31,028,999</u>		<u>23,964,013</u>	
<b>Provisions for liabilities</b>	20	(1,750,394)		(974,096)	
<b>Net assets</b>		<u>29,278,605</u>		<u>22,989,917</u>	
<b>Capital and reserves</b>					
Called up share capital	23	50,000		50,000	
Profit and loss reserves	24	29,228,605		22,939,917	
<b>Total equity</b>		<u>29,278,605</u>		<u>22,989,917</u>	

The financial statements were approved by the board of directors and authorised for issue on 12/04/19 and are signed on its behalf by:



Mr M Carson  
Director



Mr M S Abbott  
Director

# ANSELL ELECTRICAL PRODUCTS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 JANUARY 2019

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	Share capital £	Profit and loss reserves £	Total £
Balance at 1 May 2017	50,000	19,269,435	19,319,435
Period ended 31 January 2018:			
Profit and total comprehensive income for the period	-	3,670,482	3,670,482
Balance at 31 January 2018	50,000	22,939,917	22,989,917
Period ended 31 January 2019:			
Profit and total comprehensive income for the period	-	6,288,688	6,288,688
Balance at 31 January 2019	50,000	29,228,605	29,278,605

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# ANSELL ELECTRICAL PRODUCTS LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 JANUARY 2019

	Notes	2019 £	£	2018 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	25	12,388,861		11,017,708	
Interest paid		(11,169)		(10,626)	
Income taxes paid		(1,887,217)		(895,448)	
<b>Net cash inflow from operating activities</b>		<u>10,490,475</u>		<u>10,111,634</u>	
<b>Investing activities</b>					
Purchase of business		(2,728)		-	
Purchase of tangible fixed assets		(491,520)		(456,814)	
Interest received		<u>50,937</u>		<u>-</u>	
<b>Net cash used in investing activities</b>		(443,311)		(456,814)	
<b>Net cash used in financing activities</b>			-		-
<b>Net increase in cash and cash equivalents</b>		<u>10,047,164</u>		<u>9,654,820</u>	
Cash and cash equivalents at beginning of year		8,979,123		(675,697)	
<b>Cash and cash equivalents at end of year</b>		<u><u>19,026,287</u></u>		<u><u>8,979,123</u></u>	

# **ANSELL ELECTRICAL PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2019**

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### **1 Accounting policies**

#### **Company information**

Ansell Electrical Products Limited is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Unit 6B, Stonecross Industrial Park, Yew Tree Way, Warrington, Cheshire, WA3 3JD.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

#### **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.

#### **Business combinations**

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

#### **Going concern**

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### **Reporting period**

In the previous period the reporting period for the company was shortened to a 9 month period to 31 January 2018 to bring the year end in-line with the parent company Endo Lighting Corporation. The comparative amounts presented in the financial statements (including the related notes) are not entirely comparable.

#### **Turnover**

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts and volume rebates.

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.

#### **Research and development expenditure**

Research expenditure is written off against profits in the year in which it is incurred. Identifiable development expenditure is capitalised to the extent that the technical, commercial and financial feasibility can be demonstrated.

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1 Accounting policies (Continued)

##### **Tangible fixed assets**

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

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

Leasehold improvements	10% straight line
Plant and machinery	15% straight line
Fixtures, fittings & equipment	20% straight line

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.

##### **Fixed asset investments**

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

##### **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.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

##### **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.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

Cost is determined on a first in first out basis.



# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1 Accounting policies (Continued)

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.

##### **Cash and cash equivalents**

Cash and cash equivalents are basic financial instruments and include cash in hand and deposits held at call with banks.

##### **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 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 trade and other 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 unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

##### **Impairment of financial assets**

Financial assets 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.

##### **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.

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

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#### 1 Accounting policies (Continued)

##### ***Basic financial liabilities***

Basic financial liabilities, including trade and other creditors and loans from fellow group companies, 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.

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. Accounts 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.

##### ***Derecognition of financial liabilities***

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

##### ***Equity instruments***

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of direct issue costs.

##### ***Taxation***

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss.

Deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

# **ANSELL ELECTRICAL PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 JANUARY 2019**

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#### **1 Accounting policies (Continued)**

##### **Provisions**

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event, 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 the effect of the time value of money is material, the amount expected to be required to settle the obligation is recognised at present value. When a provision is measured at present value, the unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

##### **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.

##### **Retirement benefits**

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

##### **Leases**

Rentals payable under operating leases, including any lease incentives received, are charged to income 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 leased asset are consumed.

##### **Foreign exchange**

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

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### 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.

#### **Key sources of estimation uncertainty**

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

#### ***Debtors recoverability***

Estimates are made in respect of the recoverable value of trade and other debtors. When assessing the level of provisions required, factors including current trading experience, historical experience and the aging profile of debtors are considered. See note 17 for the net carrying amount of debtors.

#### ***Stock provision***

Stock represents goods for resale and is measured at the lower of cost and net realisable value. Net realisable value is estimated selling prices in ordinary course of business, less the estimated costs necessary to make the sale. Provision is made for obsolete and slow moving stock based on current trading experience. See note 16 for the net carrying amount of stock.

#### ***Patent charge provision***

The accounts include an estimated provision as detailed in Note 20 relating to the alleged infringement of patents. Whilst this estimate is based on best information available it is possible that the final amount payable may turn out to be different to the assessment taken at the time of approving these financial statements.

### 3 Turnover and other revenue

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

	2019 £	2018 £
<b>Turnover analysed by class of business</b>		
Sale of goods	62,143,008	42,290,561
	<hr/>	<hr/>
	2019 £	2018 £
<b>Other revenue</b>		
Interest income	50,937	-
	<hr/>	<hr/>

The analysis of turnover by class of business and the geographical analysis of turnover have not been given as in the opinion of the directors such disclosure would be seriously prejudicial to the interests of the Company.

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 4 Exceptional costs/(income)

	2019 £	2018 £
Exceptional patent charge	-	418,434

An exceptional patent charge has been recognised in the prior financial period relating to a provision which is detailed further in Note 20.

#### 5 Employees

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

	2019 Number	2018 Number
Sales	48	36
Production	15	17
Stores	36	29
Administration	11	9
Technical	5	6
Management	3	3
Product Design	7	9
Returns	2	3
Marketing	4	4
	131	116

Their aggregate remuneration comprised:

	2019 £	2018 £
Wages and salaries	6,371,843	4,319,483
Social security costs	559,616	336,766
Pension costs	160,012	97,903
	7,091,471	4,754,152

#### 6 Directors' remuneration

	2019 £	2018 £
Remuneration for qualifying services	700,462	477,100
Company pension contributions to defined contribution schemes	17,672	12,710
	718,134	489,810

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 6 Directors' remuneration (Continued)

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2018 - 3).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2019 £	2018 £
Remuneration for qualifying services	384,619	297,250
Company pension contributions to defined contribution schemes	9,103	8,000
	<u>          </u>	<u>          </u>

#### 7 Operating profit

	2019 £	2018 as restated £
Operating profit for the period is stated after charging/(crediting):		
Exchange (gains)/losses	(164,572)	29,767
Research and development costs	961,317	729,580
Depreciation of owned tangible fixed assets	366,814	242,637
Loss on disposal of tangible fixed assets	28,614	6,803
Cost of stocks recognised as an expense	39,207,417	27,275,094
Operating lease charges	562,038	354,771
	<u>          </u>	<u>          </u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a gain of £164,572 (2018 - a loss of £29,767).

Other costs of £569,958 were previously excluded from the 2018 research and development costs, these have now been included above.

#### 8 Auditor's remuneration

	2019 £	2018 £
Fees payable to the company's auditor and its associates:		
<b>For audit services</b>		
Audit of the financial statements of the company	21,200	12,000
	<u>          </u>	<u>          </u>
<b>For other services</b>		
Other assurance services	-	2,925
Taxation compliance services	4,650	1,250
Other taxation services	6,539	4,552
All other non-audit services	8,261	1,850
	<u>          </u>	<u>          </u>
	19,450	10,577
	<u>          </u>	<u>          </u>

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 9 Interest receivable and similar income

	2019 £	2018 £
<b>Interest income</b>		
Interest on bank deposits	50,937	-

Investment income includes the following:

Interest on financial assets not measured at fair value through profit or loss	50,937	-
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#### 10 Interest payable and similar expenses

	2019 £	2018 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	11,169	10,626

#### 11 Taxation

	2019 £	2018 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	1,529,977	867,422
Adjustments in respect of prior periods	-	(24,756)
Other tax reliefs	113,994	-
<b>Total current tax</b>	<b>1,643,971</b>	<b>842,666</b>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(39,757)	(27,556)
Adjustment in respect of prior periods	(24,252)	(21,800)
<b>Total deferred tax</b>	<b>(64,009)</b>	<b>(49,356)</b>
<b>Total tax charge</b>	<b>1,579,962</b>	<b>793,310</b>

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 11 Taxation (Continued)

The total tax charge for the year included in the profit and loss account can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2019 £	2018 £
Profit before taxation	7,868,650	4,463,792
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	1,495,044	848,120
Tax effect of expenses that are not deductible in determining taxable profit	7,550	9,347
Adjustments in respect of prior years	-	(24,756)
Effect of change in corporation tax rate	4,678	3,243
Permanent capital allowances in excess of depreciation	9,317	462
Research and development tax credit	126,282	(21,306)
Under/(over) provided in prior years	(38,657)	-
Deferred tax adjustments in respect of prior years	(24,252)	(21,800)
Taxation charge for the period	1,579,962	793,310

#### 12 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>				
At 1 February 2018	382,157	580,449	1,393,271	2,355,877
Additions	26,063	187,825	277,632	491,520
Disposals	-	(63,738)	-	(63,738)
At 31 January 2019	408,220	704,536	1,670,903	2,783,659
<b>Depreciation and impairment</b>				
At 1 February 2018	107,878	291,323	744,963	1,144,164
Depreciation charged in the year	39,357	89,169	238,288	366,814
Eliminated in respect of disposals	-	(35,124)	-	(35,124)
At 31 January 2019	147,235	345,368	983,251	1,475,854
<b>Carrying amount</b>				
At 31 January 2019	260,985	359,168	687,652	1,307,805
At 31 January 2018	274,279	289,126	648,308	1,211,713



# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 13 Fixed asset investments

	Notes	2019 £	2018 £
Investments in subsidiaries	14	2,728	-

#### Movements in fixed asset investments

	Shares in group undertakings £
<b>Cost or valuation</b>	
At 1 February 2018	-
Additions	2,728
At 31 January 2019	2,728
<b>Carrying amount</b>	
At 31 January 2019	2,728
At 31 January 2018	-

#### 14 Subsidiaries

Details of the company's subsidiaries at 31 January 2019 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Ansell Electrical Products Spain, S.L.	Barcelona 08029, calle Entença, 325-335. 2º	Dormant	Ordinary	100

The aggregate capital and reserves and the result for the year of the subsidiaries noted above was as follows:

Name of undertaking	Profit/(Loss) £	Capital and Reserves £
Ansell Electrical Products Spain, S.L.	-	2,728

The investments in subsidiaries are all stated at cost.

Ansell Electrical Products Limited is not required to prepare group accounts because all of its subsidiaries are excluded from consolidation. Ansell Electrical Products Spain, S.L. has been excluded from consolidation as its inclusion is not material (both in quantitative and qualitative terms) to giving a true and fair view.

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 15 Acquisition of a business

On 26 December 2018 the company acquired an incorporated business, Ansell Electrical Products Spain, S.L., for consideration of £2,728.

	Fair Value £
Cash and cash equivalents	2,728
Goodwill	-
Total consideration	<u>2,728</u>
Satisfied by:	£
Cash	<u>2,728</u>
Contribution by the acquired business for the reporting period since acquisition:	£
Turnover	-
Profit after tax	<u>-</u>

#### 16 Stocks

	2019 £	2018 £
Finished goods and goods for resale	<u>10,791,890</u>	<u>11,916,125</u>

The difference between the purchase price or production cost of stocks and their replacement cost is not material.

#### 17 Debtors

	2019 £	2018 £
<b>Amounts falling due within one year:</b>		
Trade debtors	13,841,041	11,404,712
Amounts owed by group undertakings	571,604	389,127
Other debtors	885,889	213
Prepayments and accrued income	2,524,339	1,852,029
	<u>17,822,853</u>	<u>13,646,081</u>
Deferred tax asset (note 21)	65,828	1,819
	<u>17,888,681</u>	<u>13,647,900</u>

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 18 Creditors: amounts falling due within one year

	2019 £	2018 £
Trade creditors	6,106,880	4,311,597
Amounts due to group undertakings	4,369,658	1,845,786
Corporation tax	261,286	504,532
Other taxation and social security	129,826	301,859
Other creditors	12,460	11,370
Accruals and deferred income	7,108,282	4,815,704
	<u>17,988,392</u>	<u>11,790,848</u>

#### 19 Financial instruments

	2019 £	2018 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	<u>14,625,146</u>	<u>11,794,052</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	<u>17,597,280</u>	<u>10,984,457</u>

#### 20 Provisions for liabilities

	2019 £	2018 £
Patent charge provision	<u>1,750,394</u>	<u>974,096</u>

#### Movements on provisions:

	Patent charge provision £
At 1 February 2018	974,096
Additional provisions in the year	<u>776,298</u>
At 31 January 2019	<u>1,750,394</u>

During the prior year the Company received an informal indication from a third party that it was infringing a number of patents forming part of a substantial portfolio. Discussions with this third party are ongoing though presently remain informal (with the third party's position remaining correspondingly imprecise in its nature and scope). The amount provided represents management's best estimate of the potential liability in respect of the alleged infringements. The Company is undertaking legal advice in connection with this matter. The precise nature and cost, if any, of any settlement is expected to become clearer over the course of the next financial year. It is therefore possible that the amount provided may turn out to be different to the assessment taken at the time of approving these financial statements.

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 JANUARY 2019

#### 21 Deferred taxation

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

	<b>Assets 2019 £</b>	<b>Assets 2018 £</b>
<b>Balances:</b>		
Accelerated capital allowances	65,828	1,819
	<u>65,828</u>	<u>1,819</u>
<b>Movements in the year:</b>		<b>2019 £</b>
Asset at 1 February 2018		(1,819)
Credit to profit or loss		(64,009)
Asset at 31 January 2019		<u>(65,828)</u>

#### 22 Retirement benefit schemes

	<b>2019 £</b>	<b>2018 £</b>
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	160,012	97,903
	<u>160,012</u>	<u>97,903</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.

#### 23 Share capital

	<b>2019 £</b>	<b>2018 £</b>
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
50,000 Ordinary shares of £1 each	50,000	50,000
	<u>50,000</u>	<u>50,000</u>

#### 24 Reserves

##### **Profit and loss reserves**

Cumulative profit and loss net of distribution to owners.

# ANSELL ELECTRICAL PRODUCTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2019

### 25 Cash generated from operations

	2019 £	2018 £
Profit for the year after tax	6,288,688	3,670,482
<b>Adjustments for:</b>		
Taxation charged	1,579,962	793,310
Finance costs	11,169	10,626
Investment income	(50,937)	-
Loss on disposal of tangible fixed assets	28,614	6,803
Depreciation and impairment of tangible fixed assets	366,814	242,637
Increase in provisions	776,298	974,096
<b>Movements in working capital:</b>		
Decrease in stocks	1,124,235	642,752
(Increase)/decrease in debtors	(4,176,772)	461,067
Increase in creditors	6,440,790	4,215,935
<b>Cash generated from operations</b>	<b>12,388,861</b>	<b>11,017,708</b>

### 26 Operating lease commitments

#### Lessee

Operating lease payments represent rentals payable by the company for certain of its properties and motor vehicles.

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:

	2019 £	2018 £
Within one year	707,745	459,956
Between one and five years	2,205,132	2,408,559
In over five years	1,730,965	2,412,000
	<b>4,643,842</b>	<b>5,280,515</b>

### 27 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2019 £	2018 £
Aggregate compensation	718,134	489,810

# **ANSELL ELECTRICAL PRODUCTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

### **FOR THE YEAR ENDED 31 JANUARY 2019**

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#### **27 Related party transactions (Continued)**

The company is a 100% subsidiary of Endo Lighting Corporation and has taken advantage of the exemption provisions in FRS102, Section 33.1A 'Related Party Disclosures'. This exemption permits non-disclosure of related party transactions of a wholly owned subsidiary company.

#### **28 Controlling party**

The ultimate parent undertaking is Endo Lighting Corporation, a company incorporated in Japan. It has included the company in its group financial statements, copies of which are available from its registered office: 541-0053 Osaka, Japan.