

**ALLIED COMLINE LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 MARCH 2024**

**COMPANY INFORMATION**

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<b>Directors</b>	Dr K R J Ellis D M Kamdar I D Kamdar N K Popat M Talwar Ravi Talwar Rohan Talwar
<b>Company secretary</b>	D M Kamdar
<b>Registered number</b>	03425533
<b>Registered office</b>	Unit B1 Luton Enterprise Park Sundon Park Road Luton Bedfordshire LU3 3GU
<b>Independent auditor</b>	MHA Building 4 Foundation Park Roxborough Way Maidenhead Berkshire SL6 3UD

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**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 MARCH 2024**

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**Introduction**

The principal activity of the Company during the year was the wholesale and distribution of motor car spares, parts and other general merchandise.

**Business review**

During the year, Allied Comline Limited continued to make steady progress with the sales of both branded and private label sales of brake pads in the passenger car and commercial vehicles sectors.

The Company continued to serve a mix of private label customers in Europe and a wide cross section of UK motor factors and European parts distributors for its branded products. The Company increased its product range with new part introductions and also significantly extended the ECER90 certifications for the brake pad ranges.

Despite the challenging market conditions, the Company achieved strong sales growth in the year, with turnover increasing to £18.1m (2023 - £12.5m). However, the main story of the year was the cost of living crisis and the high interest rate environment, which has impacted profitability and cash flow. The rising costs of raw materials, energy, and transportation, as well as the higher borrowing costs, have put pressure on margins. The measures taken to mitigate these risks have resulted in an operating profit of £604k (2023 - £402k)

**Principal risks and uncertainties***Competition*

The Directors consider that the Company can compete effectively in the current environment in its target market. The Company's ability to stabilise costs in a competitive environment will protect it against aggressive price reductions by competitors to gain market share. The Company will continue to compete on the basis of quality and service rather than price.

*Foreign currency risk*

The Company is exposed to adverse exchange rate movements, particularly in the current political climate following Brexit and exposure on USD purchasing. The Directors seek to manage this as far as possible through the application of existing forex mitigation strategies. Although this can only act in mitigation, the risk can be effectively managed.

*Credit risk*

The uncertain economic climate continues to give rise to a higher than usual bad debt risk. The Directors seek to mitigate this by adherence to the Company's robust credit control procedures. All customers who wish to trade on credit terms are subject to credit verification procedures. Trade debtors are reviewed on a regular basis and a provision is made for doubtful debts when necessary.

*IT Security*

The Directors attach high priority to managing the risks posed by IT security breaches, including a review of cybersecurity and General Data Protection Regulation (GDPR) compliance.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024

Financial key performance indicators

The Directors use financial key performance indicators in order to monitor the performance of the business. The Company uses the annualised turnover growth and gross profit margin to help monitor financial success.

	2024	2023
	%	%
Annualised turnover growth	45	(22)
Gross profit margin	8	8

Other key performance indicators

The Directors also use non financial performance indicators to monitor the performance of the business. The Company continues to monitor customer satisfaction and supplier relationships throughout the year.

This report was approved by the Board and signed on its behalf.



I D Kamdar  
Director  
Date: 28 June 2024

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 MARCH 2024**

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The Directors present their report and the financial statements for the year ended 31 March 2024.

**Directors**

The Directors who served during the year were:

Dr K R J Ellis  
D M Kamdar  
I D Kamdar  
N K Popat  
M Talwar  
Ravi Talwar  
Rohan Talwar

**Directors' responsibilities statement**

The Directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

**Results and dividends**

The profit for the year, after taxation, amounted to £193,245 (2023 - £191,007).

The Directors recommended a dividend of £200,000 (2023 - £300,000).

**Future developments**

There are no significant future developments to report.

**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 MARCH 2024**

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**Matters covered in the Strategic Report**

In accordance with Section 414c (11) of the Companies Act 2006, the Directors have chosen to include the following items in the Strategic Report:

- Business review
- Principal risks and uncertainties

**Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

**Post Balance Sheet events**

There have been no significant events affecting the Company since the year end.

**Auditor**

Under section 487(2) of the Companies Act 2006, MHA will be deemed to have been reappointed as auditor 28 days after these financial statements were sent to members or 28 days after the latest date prescribed for filing the accounts with the registrar, whichever is earlier.

This report was approved by the Board and signed on its behalf.



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**I D Kamdar**  
Director  
Date: 28 June 2024

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED COMLINE LIMITED**

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**Opinion**

We have audited the financial statements of Allied Comline Limited (the 'Company') for the year ended 31 March 2024, which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity and the related notes, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2024 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the 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 United Kingdom, including the Financial Reporting Council's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED COMLINE LIMITED (CONTINUED)**

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

We have nothing to report in this regard.

**Opinion 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.

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

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

We have nothing to report in respect of the following matters in relation to which 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 3, 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.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED COMLINE LIMITED (CONTINUED)**

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

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

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

- Enquiry of management around actual and potential litigation and claims;
- Enquiry of staff to identify any instances of non-compliance with laws and regulations;
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias;
- Reviewing minutes of meetings of those charged with governance; and
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ALLIED COMLINE LIMITED (CONTINUED)

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**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.



Mike Kay BSc FCA CF (Senior Statutory Auditor)  
for and on behalf of

**MHA**  
Statutory Auditor  
Maidenhead, United Kingdom  
Date: 1 July 2024

MHA is the trading name of MacIntyre Hudson LLP, a limited liability partnership in England and Wales (registered number OC312313)

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 MARCH 2024**

	Note	2024 £	2023 £
Turnover	4	18,173,404	12,537,857
Cost of sales		(16,690,887)	(11,576,940)
<b>Gross profit</b>		<b>1,482,517</b>	<b>960,917</b>
Distribution costs		(437,171)	(240,787)
Administrative expenses		(431,561)	(419,330)
Other operating income	5	-	102,098
<b>Operating profit</b>	6	<b>613,785</b>	<b>402,898</b>
Interest payable and similar expenses	9	(356,113)	(166,789)
<b>Profit before tax</b>		<b>257,672</b>	<b>236,109</b>
Tax on profit	10	(64,427)	(45,102)
<b>Profit for the financial year</b>		<b>193,245</b>	<b>191,007</b>

There was no other comprehensive income for 2024 (2023:£NIL).

The notes on pages 12 to 22 form part of these financial statements.

**BALANCE SHEET  
AS AT 31 MARCH 2024**

	Note	2024 £	2023 £
<b>Current assets</b>			
Stocks	12	256,403	133,858
Debtors: amounts falling due within one year	13	6,769,315	7,291,084
Cash at bank and in hand	14	1,956,713	440,787
		<u>8,982,431</u>	<u>7,865,729</u>
Creditors: amounts falling due within one year	15	(8,871,289)	(7,747,832)
<b>Net current assets</b>		<b>111,142</b>	<b>117,897</b>
<b>Net assets</b>		<u><b>111,142</b></u>	<u><b>117,897</b></u>
<b>Capital and reserves</b>			
Called up share capital	16	100	100
Profit and loss account	17	111,042	117,797
		<u><b>111,142</b></u>	<u><b>117,897</b></u>

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



.....  
**I D Kamdar**  
Director  
Date: 28 June 2024

The notes on pages 12 to 22 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 MARCH 2024**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 April 2022</b>	<b>100</b>	<b>226,790</b>	<b>226,890</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	191,007	191,007
<b>Transactions with owners</b>			
Dividends: Equity capital	-	(300,000)	(300,000)
<b>At 1 April 2023</b>	<b>100</b>	<b>117,797</b>	<b>117,897</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	193,245	193,245
<b>Transactions with owners</b>			
Dividends: Equity capital	-	(200,000)	(200,000)
<b>At 31 March 2024</b>	<b>100</b>	<b>111,042</b>	<b>111,142</b>

The notes on pages 12 to 22 form part of these financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**1. General information**

Allied Comline Limited is a private Company limited by shares incorporated in England and Wales (Company Registered Number 03425533). The registered office address is Unit B1, Luton Enterprise Park, Sundon Park Road, Luton, Bedfordshire, LU3 3GU.

**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 judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Financial Reporting Standard 102 - reduced disclosure exemptions**

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A.

This information is included in the consolidated financial statements of Comline Holdings Limited as at 31 March 2023 and these financial statements may be obtained from Companies House.

**2.3 Going concern**

The Directors assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. The Directors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the Company has adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the Company's ability to continue as a going concern, thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**2. Accounting policies (continued)****2.4 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is Pound Sterling.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.5 Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Sale of goods**

Turnover 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 turnover 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.

**2.6 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.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**2. Accounting policies (continued)****2.7 Borrowing costs**

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

**2.8 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.

**2.9 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 weighted average 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.

**2.10 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.

**2.11 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.

**2.12 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.

**2.13 Invoice discounting**

The Company has invoice discounting arrangements in respect of certain trade debtors. These are accounted for using the separate presentation method and, consequently, the trade debtors subject to invoice discounting and the advances against these are shown separately under debtors and creditors.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**2. Accounting policies (continued)****2.14 Financial instruments**

The Company has elected to apply the provisions of Section 11 “Basic Financial Instruments” of FRS 102 to all of its financial instruments.

The Company has elected to apply the recognition and measurement provisions of IFRS 9 Financial Instruments (as adopted by the UK Endorsement Board) with the disclosure requirements of Sections 11 and 12 and the other presentation requirements of FRS 102.

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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due within the operating cycle fall into this category of financial instruments.

**Other financial assets**

Other financial assets, which includes investments in equity instruments which are not classified as subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the recognised transaction price. Such assets are subsequently measured at fair value with the changes in fair value being recognised in the profit or loss. Where other financial assets are not publicly traded, hence their fair value cannot be measured reliably, they are measured at cost less impairment.

**Impairment of financial assets**

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**2. Accounting policies (continued)****2.14 Financial instruments (continued)****Financial liabilities**

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

**Other financial instruments**

Derivatives, including forward exchange contracts, futures contracts and interest rate swaps, are not classified as basic financial instruments. These are initially recognised at fair value on the date the derivative contract is entered into, with costs being charged to the profit or loss. They are subsequently measured at fair value with changes in the profit or loss.

Debt instruments that do not meet the conditions as set out in FRS 102 paragraph 11.9 are subsequently measured at fair value through the profit or loss. This recognition and measurement would also apply to financial instruments where the performance is evaluated on a fair value basis as with a documented risk management or investment strategy.

**Derecognition of financial instruments****Derecognition of financial assets**

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

**Derecognition of financial liabilities**

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

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

**2. Accounting policies (continued)**

**2.15 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. Judgements in applying accounting policies and key sources of estimation uncertainty**

Stock is valued at the lower of cost and net realisable value. The Directors assess the net realisable value of stock based on a statistical analysis and industry experience and make provisions for obsolescent and slow moving stock where appropriate.

**3.1 Stock Valuation**

Stock is valued at the lower of cost and net realisable value. The Directors assess the net realisable value of stock based on a statistical analysis and industry experience and make provisions for obsolescent and slow moving stock where appropriate.

**4. Turnover**

The whole of the turnover is attributable to the sale of own branded automotive parts.

Analysis of turnover by country of destination:

	<b>2024</b> £	<b>2023</b> £
United Kingdom	<b>11,452,058</b>	7,563,263
Rest of Europe	<b>6,721,346</b>	4,974,594
	<b><u>18,173,404</u></b>	<u>12,537,857</u>

**5. Other operating income**

	<b>2024</b> £	<b>2023</b> £
Commissions receivable	-	102,098
	<u>-</u>	<u>102,098</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

6. Operating profit

The operating profit is stated after charging:

	2024 £	2023 £
Exchange differences	26,796	46,795

7. Auditor's remuneration

	2024 £	2023 £
Fees payable to the Company's auditor for the audit of the Company's financial statements	15,000	12,850

The Company has taken advantage of the exemption not to disclose amounts paid for non-audit services as these are disclosed in the consolidated accounts of the parent Company.

8. Employees

The Company has no employees other than the Directors, who did not receive any remuneration (2023 - £NIL).

A fellow group company, Comline Auto Parts Limited, acts as a payroll agent and raises management charges to the Company in respect of relevant staff members.

9. Interest payable and similar expenses

	2024 £	2023 £
Bank interest payable	42,107	23,214
Other interest payable	314,006	143,575
	356,113	166,789

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

10. Taxation

	2024 £	2023 £
<b>Corporation tax</b>		
Current tax on profits for the year	<u>64,427</u>	<u>45,102</u>

**Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2023 - *higher than*) the standard rate of corporation tax in the UK of 25% (2023 - 19%). The differences are explained below:

	2024 £	2023 £
Profit on ordinary activities before tax	<u>257,672</u>	<u>236,109</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 25% (2023 - 19%)	<u>64,418</u>	<u>44,861</u>
<b>Effects of:</b>		
Expenses not deductible for tax purposes	<u>9</u>	<u>241</u>
<b>Total tax charge for the year</b>	<u><u>64,427</u></u>	<u><u>45,102</u></u>

11. Dividends

	2024 £	2023 £
Dividends paid	<u>200,000</u>	<u>300,000</u>

The dividend recommended during the year was £2,000 (2023 - £3,000) per share.

12. Stocks

	2024 £	2023 £
Finished goods and goods for resale	<u>256,403</u>	<u>133,858</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

13. Debtors

	2024 £	2023 £
Trade debtors	3,177,892	2,216,919
Amounts owed by group undertakings	3,566,757	4,159,925
Other debtors	5,373	67,235
Prepayments and accrued income	19,293	847,005
	<u>6,769,315</u>	<u>7,291,084</u>

14. Cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	1,956,713	440,787
Less: bank overdrafts	(292,701)	(350,821)
	<u>1,664,012</u>	<u>89,966</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024

15. Creditors: Amounts falling due within one year

	2024 £	2023 £
Bank overdrafts	292,701	350,821
Trade creditors	197,214	38,640
Amounts owed to group undertakings	262,454	453,229
Amounts owed to other participating interests	6,077,478	5,200,095
Corporation tax	64,348	45,023
Other taxation and social security	76,649	91,264
Other creditors	1,882,757	1,556,469
Accruals and deferred income	17,688	12,291
	<u>8,871,289</u>	<u>7,747,832</u>

Other creditors of £1,882,757 (2023 - £1,556,469) is secured by a debenture comprising fixed and floating charges over all the assets of Allied Comline Limited, including all present and future freehold and leasehold property, book and other debts, chattels, goodwill and uncalled capital, both present and future. The bank overdraft of £292,701 (2023 - £350,821) is also secured in the same way.

An unlimited composite multilateral company guarantee has been given by Comline Auto Parts Limited, Allied Comline Limited, Motaquip Limited, Comline Hellas S.A., Comline Iberica S.L., Comline Holdings Limited and Royston Holdings Limited to secure all liabilities of each other.

16. Share capital

	2024 £	2023 £
<b>Allotted, called up and fully paid</b>		
100 (2023 - 100) Ordinary shares of £1.00 each	<u>100</u>	<u>100</u>

All ordinary shares rank equally with regard to the Company's residual assets. Holders of these shares are entitled to dividends as declared and are entitled to one vote per share at general meetings of the Company.

17. Reserves

**Profit and loss account**

The Profit and loss account represents the accumulation of retained profits, net of dividends, which are in the form of distributable reserves.

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2024**

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**18. Related party transactions**

Allied Nippon Private Limited, a company registered in India, owns 51% of the issued share capital of Allied Comline Limited. During the year, sales of £246,081 (2023 - £211,612) and purchases of £16,894,321 (2023 - £11,772,419) were made to/from Allied Nippon Private Limited. At the Balance Sheet date, an amount of £6,077,478 (2023 - £5,200,095) was owed to Allied Nippon Private Limited.

Comline Auto Parts Limited, a company registered in England and Wales, is a 100% subsidiary of Comline Holdings Limited. During the year, sales of £3,474,354 (2023 - £2,446,696) and purchases of £670,475 (2023 - £928,438) were made to/from that Comline Auto Parts Limited. At the Balance Sheet date, an amount of £692,902 (2023 - £321,141) was due from Comline Auto Parts Limited and £129,718 (2023 - £110,229) was due to Comline Auto Parts Limited..

Motaquip Limited, a company registered in England and Wales, is a 100% subsidiary of Comline Holdings Limited. During the year, sales of £NIL (2023 - £6,711) were made to Motaquip Limited. At the Balance Sheet date, an amount of £NIL (2023 - £NIL) was due from Motaquip Limited.

Comline Iberica S.L, a company registered in Spain, is a 100% subsidiary of Comline Holdings Limited. During the year, sales of £913,362 (2023 - £556,667) were made to Comline Iberica S.L. At the Balance Sheet date, an amount of £ 162,876 (2023 - £602,827) was due from Comline Iberica S.L.

Comline Hellas A.E.E, a company registered in Greece, is a 100% subsidiary of Comline Holdings Limited. During the year, sales of £672,051 (2023 - £538,038) were made to Comline Hellas A.E.E. At the Balance Sheet date, an amount of £ 275,218 (2023 - £525,478) was due from Comline Hellas A.E.E.

Comline Ireland Limited, a company registered in Ireland, is a 100% subsidiary of Comline Holdings Limited. During the year, sales of £1,751,119 (2023 - £844,827) were made to Comline Ireland Limited. At the Balance Sheet date, an amount of £ 287,517 (2023 - £28,589) was due from Comline Ireland Limited.

**19. Controlling party**

Comline Holdings Limited holds 49% of the issued share capital with 51% being held by Allied Nippon Private Limited, a company registered in India. In the opinion of the Directors, Allied Nippon Private Limited does not use its majority shareholding to exert control over the Company.

Comline Holdings Limited is the parent of the smallest Group for which consolidated financial statements are drawn up. Comline Holdings Limited has included the Company in its Group financial statements which are publicly available. The registered office of Comline Holdings Limited is Unit B1, Luton Enterprise Park, Sundon Park Road, Luton, Bedfordshire, LU3 3GU.

The ultimate parent company is Royston Holdings Limited, a company incorporated in England and Wales. This is the largest group for which consolidated financial statements are drawn up.

The ultimate controlling party is D M Kamdar by virtue of his shareholding in Royston Holdings Limited.