

Registered number: 03425533

ALLIED COMLINE LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2023

ALLIED COMLINE LIMITED

COMPANY INFORMATION

Directors	Dr K R J Ellis D M Kamdar I D Kamdar N K Popat M Talwar Ravi Talwar Rohan Talwar
Company secretary	D M Kamdar
Registered number	03425533
Registered office	Unit B1 Luton Enterprise Park Sundon Park Road Luton Bedfordshire LU3 3GU
Independent auditor	MHA 910 The Crescent Colchester Business Park Colchester Essex CO4 9YQ

ALLIED COMLINE LIMITED

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2023**

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 a large number of new part introductions and also significantly extended the ECER90 certifications for the brake pad ranges.

The UK aftermarket has remained resilient and the UK business performance was better than prior year, with UK turnover increasing to £7.7m (2022 - £7.4m). However, the story of the year has been centred almost entirely around the Ukraine war and our resulting loss of European sales as our European based customers were significantly affected by the impact of this war. This resulted in sales decreasing to £12.5m (2022 - £16.1m). The Company was able to better manage costs however, resulting in an increased operating profit of £403k (2022 - £355k).

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.

ALLIED COMLINE LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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.

	2023	<i>2022</i>
	%	%
Annualised turnover growth	(22)	<i>14</i>
Gross profit margin	8	<i>4</i>

As mentioned in the business review, the fall in turnover is due to a big loss in turnover from European customers due to the Ukraine war. Disregarding this, the Company has seen an increase in UK sales and is satisfied with the improved gross profit margin.

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: 07/07/2023

ALLIED COMLINE LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 MARCH 2023

The Directors present their report and the financial statements for the year ended 31 March 2023.

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 £191,007 (2022 - £257,267).

The Directors recommended a dividend of £300,000 (2022 - £400,000).

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

Future developments

There are no significant future developments to report.

ALLIED COMLINE LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2023**

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

Following a rebranding exercise on 15 May 2023 the trading name of the Company's independent auditor changed from MHA MacIntyre Hudson to MHA. The auditor, MHA, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

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



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I D Kamdar
Director
Date: 07/07/2023

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

Opinion

We have audited the financial statements of Allied Comline Limited (the 'Company') for the year ended 31 March 2023, 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 2023 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.

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.

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. This description forms part of our Auditor's Report.

ALLIED COMLINE LIMITED

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

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
Colchester, United Kingdom
Date: 07/07/2023

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

ALLIED COMLINE LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2023**

	Note	2023 £	<i>As restated 2022 £</i>
Turnover	4	12,537,857	16,050,879
Cost of sales		(11,576,940)	(15,338,141)
Gross profit		960,917	712,738
Distribution costs		(240,787)	(221,358)
Administrative expenses		(419,330)	(244,831)
Other operating income		102,098	108,750
Operating profit	6	402,898	355,299
Interest payable and similar expenses	9	(166,789)	(37,685)
Profit before tax		236,109	317,614
Tax on profit	10	(45,102)	(60,347)
Profit for the financial year		191,007	257,267

There was no other comprehensive income for 2023 (2022 - £NIL).

The notes on pages 12 to 21 form part of these financial statements.

**BALANCE SHEET
AS AT 31 MARCH 2023**

	Note	2023 £	2022 £
Current assets			
Stocks	12	133,858	258,781
Debtors: amounts falling due within one year	13	7,291,084	4,975,501
Cash at bank and in hand	14	440,787	2,540,490
		<u>7,865,729</u>	<u>7,774,772</u>
Creditors: amounts falling due within one year	15	(7,747,832)	(7,547,882)
Net current assets		117,897	226,890
Net assets		<u>117,897</u>	<u>226,890</u>
Capital and reserves			
Called up share capital	16	100	100
Profit and loss account	17	117,797	226,790
		<u>117,897</u>	<u>226,890</u>

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



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I D Kamdar
Director
Date: 07/07/2023

The notes on pages 12 to 21 form part of these financial statements.

ALLIED COMLINE LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 April 2021	100	369,523	369,623
Comprehensive income for the year			
Profit for the year	-	257,267	257,267
Transactions with owners			
Dividends: Equity capital	-	(400,000)	(400,000)
At 1 April 2022	<u>100</u>	<u>226,790</u>	<u>226,890</u>
Comprehensive income for the year			
Profit for the year	-	191,007	191,007
Transactions with owners			
Dividends: Equity capital	-	(300,000)	(300,000)
At 31 March 2023	<u><u>100</u></u>	<u><u>117,797</u></u>	<u><u>117,897</u></u>

The notes on pages 12 to 21 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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 financial statements are rounded to the nearest pound.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

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 2023

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023

2. Accounting policies (continued)

2.14 Financial instruments

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

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

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

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

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

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.

2.16 Prior year adjustment

A prior year adjustment has been made to the comparatives within these financial statements to better classify income. Commissions receivable of £108,750 previously included within turnover has been reclassified to other operating income as it doesn't fall within the scope of the Company's principal activity.

This adjustment had no impact on the profit for the year ended 31 March 2022 nor the reserves held at the year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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:

	2023	<i>As restated</i>
	£	2022
		£
United Kingdom	7,563,263	7,331,262
Rest of Europe	4,974,594	8,565,685
Rest of the World	-	153,932
	<u>12,537,857</u>	<u>16,050,879</u>

5. Other operating income

	2023	<i>As restated</i>
	£	2022
		£
Commissions receivable	102,098	108,750
	<u>102,098</u>	<u>108,750</u>

6. Operating profit

The operating profit is stated after charging/(crediting):

	2023	2022
	£	£
Exchange differences	<u>46,795</u>	<u>(63,375)</u>

ALLIED COMLINE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

7. Auditor's remuneration

	2023	2022
	£	£
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	12,850	11,600

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

8. Employees

The Company has no employees and the Directors did not receive any remuneration (2022 - £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

	2023	2022
	£	£
Bank interest payable	23,214	12,457
Other interest payable	143,575	25,228
	166,789	37,685

10. Taxation

	2023	2022
	£	£
Corporation tax		
Current tax on profits for the year	45,102	60,347

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

10. Taxation (continued)**Factors affecting tax charge for the year**

The tax assessed for the year is lower than (2022 - *the same as*) the standard rate of corporation tax in the UK of 19% (2022 - 19%). The differences are explained below:

	2023 £	2022 £
Profit on ordinary activities before tax	<u>236,109</u>	<u>317,614</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2022 - 19%)	44,861	60,347
Effects of:		
Expenses not deductible for tax purposes	<u>241</u>	-
Total tax charge for the year	<u><u>45,102</u></u>	<u><u>60,347</u></u>

Factors that may affect future tax charges

An increase in the UK corporation tax rate from 19% to 25% was substantively enacted in June 2021 and will take effect from 1 April 2023 for profits over £250,000. For profits under £50,000 the tax rate will remain the same at 19% and for profits between these figures it will be subject to 25% but reduced by a marginal relief providing a gradual increase in the effective Corporation Tax rate.

11. Dividends

	2023 £	2022 £
Dividends paid	<u>300,000</u>	<u>400,000</u>
	<u><u>300,000</u></u>	<u><u>400,000</u></u>

The dividend recommended during the year was £3,000 (2022 - £4,000) per share.

12. Stocks

	2023 £	2022 £
Finished goods and goods for resale	<u>133,858</u>	<u>258,781</u>
	<u><u>133,858</u></u>	<u><u>258,781</u></u>

ALLIED COMLINE LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

13. Debtors

	2023	2022
	£	£
Trade debtors	2,216,919	2,537,796
Amounts owed by group undertakings	4,159,925	2,291,494
Other debtors	67,235	117,211
Prepayments and accrued income	847,005	29,000
	<u>7,291,084</u>	<u>4,975,501</u>

14. Cash and cash equivalents

	2023	2022
	£	£
Cash at bank and in hand	440,787	2,540,490
Less: bank overdrafts	(350,821)	(1,554,726)
	<u>89,966</u>	<u>985,764</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

15. Creditors: Amounts falling due within one year

	2023	2022
	£	£
Bank overdrafts	350,821	1,554,726
Trade creditors	38,640	453,764
Amounts owed to group undertakings	453,229	323,052
Amounts owed to other participating interests	5,200,095	3,426,937
Corporation tax	45,023	60,353
Other taxation and social security	91,264	225,412
Other creditors	1,556,469	1,491,870
Accruals and deferred income	12,291	11,768
	<u>7,747,832</u>	<u>7,547,882</u>

Other creditors of £1,556,469 (2022 - £1,491,870) 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 £350,821 (2022 - £1,554,726) 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

	2023	2022
	£	£
Allotted, called up and fully paid		
100 (2022 - 100) Ordinary shares of £1.00 each	100	100
	<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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2023**

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 £211,612 (2022 - £154,197) and purchases of £11,772,419 (2022 - £15,154,149) were made to/from Allied Nippon Private Limited. At the Balance Sheet date, an amount of £5,200,095 (2022 - £3,426,937) 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 £2,446,696 (2022 - £3,455,049) and purchases of £928,438 (2022 - £709,884) were made to/from that Comline Auto Parts Limited. At the Balance Sheet date, an amount of £321,141 (2022 - £455,224) was due from Comline Auto Parts Limited and £110,229 (2022 - £NIL) 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 £6,711 (2022 - £589,425) were made to Motaquip Limited. At the Balance Sheet date, an amount of £NIL (2022 - £143,785) 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 £556,667 (2022 - £760,567) were made to Comline Iberica S.L. At the Balance Sheet date, an amount of £602,827 (2022 - £746,853) 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 £538,038 (2022 - £994,122) were made to Comline Hellas A.E.E. At the Balance Sheet date, an amount of £525,478 (2022 - £812,111) 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 £844,827 (2022 - £329,143) were made to Comline Ireland Limited. At the Balance Sheet date, an amount of £28,589 (2022 - £6,458) 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.