

Registered number: 01399323

A & H Europe Limited

Financial statements

Information for filing with the registrar

For the Year Ended 31 December 2019



A & H Europe Limited
Registered number: 01399323

Balance Sheet
As at 31 December 2019


	Note	2019 £	2018 £
Current assets			
Stocks		4,349	4,916
Debtors: amounts falling due within one year	4	471,187	475,859
Cash at bank and in hand		8,195	6,653
		<u>483,731</u>	<u>487,428</u>
Creditors: amounts falling due within one year	5	(66,674)	(45,990)
Net current assets		417,057	441,438
Net assets		417,057	441,438
Capital and reserves			
Called up share capital	6	10,000	10,000
Capital redemption reserve		49	49
Profit and loss account		407,008	431,389
		<u>417,057</u>	<u>441,438</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

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

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 06/10/2020.



 J C Kerr
 Company secretary and director

The notes on pages 2 to 7 form part of these financial statements.

A & H Europe Limited

Notes to the Financial Statements For the Year Ended 31 December 2019

1. General information

The company is a private company limited by share capital incorporated in England. The address of its registered office, which is also its principal place of business, is listed on the company information page.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The financial statements are presented in sterling which is the functional currency of the company and are rounded to the nearest £1.

The following principal accounting policies have been applied:

2.2 Going concern

At the balance sheet date the company has net current assets of £417,057, after reporting a loss before taxation of £24,381, but included as part of net current assets is a total amount due from fellow group companies of £448,174. The directors have received confirmation over the accuracy of the total group balance due to the company but have not been able to obtain sufficient information from the fellow group companies on their ability to repay the amounts due. The directors have also received assurances from A&H Mfg Co LLC that it will continue to support the company to enable it to continue trading and to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements, but they have not been provided with information to support these assurances. Notwithstanding these matters, the directors are of the opinion that the financial statements should be prepared on a going concern basis but acknowledge that, in the absence of the supporting information, a material uncertainty exists in respect of the preparation of the financial statements on a going concern basis. If the going concern assumption proves to be inappropriate, then adjustments may have to be made to adjust the value of assets to their recoverable amounts and to provide for any further liabilities which might arise.

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

2. Accounting policies (continued)

2.3 Revenue

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

Sale of goods

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

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

Turnover from commissions on sales and debt collection and management charges are recognised in the period the services are provided.

2.4 Leases

Rentals payable under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.5 Stocks

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

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.

2.6 Debtors

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

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.

2.7 Creditors

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 the company does not have unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

2. Accounting policies (continued)

2.8 Financial instruments

Financial assets and liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets, 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.

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

2.9 Foreign currency transactions and balances

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the initial transaction dates.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

2.10 Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments.

2.11 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the company in independently administered funds.

2.12 Taxation

Tax is recognised in the Statement of income and retained earnings, 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.

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Notes to the Financial Statements For the Year Ended 31 December 2019

3. Employees

The average monthly number of employees, including directors, during the year was 7 (2018 - 9).

4. Debtors

	2019 £	2018 £
Trade debtors	2,030	3,691
Amounts owed by group undertakings	448,174	452,268
Other debtors	20,983	19,900
	<u>471,187</u>	<u>475,859</u>

5. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	1,705	2,901
Corporation tax	148	148
Other taxation and social security	11,711	9,251
Other creditors	53,110	33,690
	<u>66,674</u>	<u>45,990</u>

6. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
10,000 (2018 - 10,000) Ordinary shares of £1.00 each	<u>10,000</u>	<u>10,000</u>

7. Pension commitments

The company operates a defined benefit pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £16,573 (2018 - £16,512). Contributions totalling £2,419 (2018 - £2,401) were payable to the fund at the balance sheet date and are included in creditors.

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Notes to the Financial Statements For the Year Ended 31 December 2019

8. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	16,832	16,000
Later than 1 year and not later than 5 years	12,370	13,333
	<u>29,202</u>	<u>29,333</u>

9. Related party transactions

Directors' remuneration

During the year directors' remuneration (including benefits in kind and money purchase pension scheme contributions) totalled £126,840 (2018 - £107,091).

The company has taken advantage of the exemption in Section 1A of FRS 102 from disclosing transactions with other wholly owned members of the group.

10. Post balance sheet events

Since the year end, the UK and the world has been impacted by the spread of the global Coronavirus pandemic. The UK Government imposed a national lockdown on 23 March 2020 which saw all non-essential shops close their doors until 15 June 2020. The retail sector, in particular high street stores, has been impacted heavily by these lockdown restrictions and this, in turn, has had a negative impact on sales for the company post year end. The company has taken advantage of the various Government support schemes available to it during this difficult period of trading and the company remains reliant on the support of its fellow group company, A&H Mfg Co LLC, to enable it to continue trading and to meet its liabilities as they fall due. The directors continue to monitor the situation.

11. Parent undertaking

The company's immediate parent is A & H Worldwide LLC, incorporated in United States.

A & H Worldwide LLC's registered office and principal place of business is 1 Carding Lane, Johnston, RI 02919. Its financial statements are not publicly available.

At the year end the ultimate controlling party was Mr H. Jack Feibelman. Post year end, Mr H. Jack Feibelman sadly passed away. On 19 June 2020 Barbara Fiebelman became the ultimate controlling party.

**Notes to the Financial Statements
For the Year Ended 31 December 2019**

12. Auditors' information

- The auditors' report on the financial statements for the year ended 31 December 2019 was qualified.

The qualification in the audit report was as follows:

Included in amounts owed by group undertakings, in debtors, is an amount of £211,588 due from the Company's parent company and an amount of £236,586 due from a fellow group company. We have received confirmations from these counterparties of the accuracy of these debtor balances but have been unable to obtain sufficient appropriate audit evidence regarding the recoverability of these debts in full.

The audit report was signed on 26 October 2020 by Graham Hunt BA FCA (Senior Statutory Auditor) on behalf of Kreston Reeves LLP.