

Registration number: 12838779

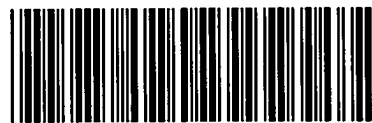
Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Annual Report and Financial Statements

for the Year Ended 31 March 2023

KNAV Limited
Statutory Auditors
Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

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05/10/2023

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Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

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Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Company Information

Directors	Mr D Bains Mr R K Kejriwal Mr A Srivastava
Registered office	Baldwin Road Stourport-On-Severn DY13 9BB
Auditors	KNAV Limited Statutory Auditors Hygeia Building Ground Floor 66-68 College Road Harrow Middlesex HA1 1BE

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

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 of the company

The directors who held office during the year were as follows:

Mr D Bains

Mr R K Kejriwal

Mr A Srivastava

Principal activity

The principal activity of the company is the manufacture of systems and components for the automotive original equipment manufacturers.

Key product groups are driver controls and cable systems, with the customer base being primarily automotive original equipment manufacturers located on a global basis.

Business review

Remsons Automotive Ltd has continued to face the head winds of the challenging environment, along with the rest of the manufacturers in the global automotive industry, this will continue into the future year.

The shortage of microchips which has been well documented as having a negative impact on the automotive supply chain has led to car manufacturers not being able to produce expected volumes in demand. Without a doubt this has fed its way down to the supply chain and has resulted in decreased production throughout the industry, and the company's turnover in this period has been affected.

We have been successful to win new vehicle platform business going into Europe and North America, these will be launched into production qtr. 2, 2024 onwards.

At the same time the industry has faced significant increases in raw material prices energy cost which together have resulted in a reduction in gross margin.

Whilst the previous 12 months have no doubt been challenging, in our final trading quarter, car production levels have started to rise as the semiconductor supply shortages have eased, although some manufacturers are still reporting occasional problems.

Despite all these challenges, through careful planning and cost reduction programs the company has tried to partly offset lost margin, whilst still being prepared for future growth.

In February 2023 the company moved to Lloyds Banking PLC for longer term business funding which provided significant reductions to previous loan interest rates.

Therefore, whilst the future is undoubtedly challenging, the directors believe the company is in a strong and efficient position to weather these challenges and benefit from the expected increase in turnover forecast in the automotive industry once supply chain issues have been resolved.

Our suppliers

We believe in a proactive attitude and an open and honest way of communicating and this has proven to be a solid base for building long term relationships. The company's policy for the payment of suppliers is to agree the terms of payment in advance in line with normal trade practices and, provided a supplier performs in accordance with the agreement, to abide by such terms.

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Directors' Report for the Year Ended 31 March 2023 (continued)

Principal risks and uncertainties

As previously mentioned, the principal risk facing the company is the lack of demand from OEM's because of component shortages and raw material prices. Whilst we cannot control the OEM demand, we are looking to reduce material price impact by buying at agreed rates and discussing availability of raw material supplies with alternative suppliers.

The management therefore will continue to review the order book on a weekly and monthly basis and will take appropriate action to align the business to customer requirements, especially to control costs in a current volatile environment.

Brexit has impacted the company significantly and whilst this impact is still being felt, the company has dealt with these issues and resolved these where possible and will continue to do so in the future.

The company transacts its business in various currencies including Euro's. Where possible the company has mitigated fluctuating exchange rate risks by purchasing raw materials in Euro's. The company continues to monitor cashflow in these currencies and will look to hedge future cashflows, if required. This is part of the overall foreign exchange management.

The company's credit risk is primarily attributable to its trade debtors. Credit risk is managed by running credit checks on new and existing customers and monitoring orders and payments.

Interest rate risk has been mitigated with the change to new funding provider with significant reduction in % margin above BOE rate. The business has considered BOE rates +7% in its cash flow modelling with nil impacts.

Given the development of cash there was never any concern on the company's cash reserves. The company is ultimately supported in a broader cash pool which would also allow further financing through Remsons Industries, if required.

Analysis of key performance indicators

In managing the business, the directors pay particular attention to the key performance indicators. There are a range of KPI's that cover Quality, Sales, Finance and Human Resources. Major KPI's are EBIT (Total and in % of Sales), headcount, PPM, on time customer PPAP submission, cost of poor quality, Working Capital (Total and in % of Sales), Net sales per partner, quote performance, on-time delivery, on time response to customer concerns (8D) and accident incident rate.

Environment

The company integrates health, safety and environmental factors into day to day strategic business decisions.

The company complies with all relevant legislation and commits to continual improvement activities in accordance with the international standard ISO 14001.

The company is committed in managing its resources to save energy, reduce waste, promote recycling and avoid damage to the environment, we aim to achieve NET ZERO carbon emissions by 2030.

Employees

During the year the policy of providing employees with information about the company has been continued through internal media methods in which employees have also been encouraged to present their suggestions and views on the company's performance. Regular meetings are held between local management and employees to allow a free flow of information and ideas.

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Directors' Report for the Year Ended 31 March 2023 (continued)

Financial risk management

The ultimate parent undertaking and controlling party of Remsons Automotive Ltd is Remsons Industries Limited, a company incorporated in India, whose Corporate risk department review live positions and rolling 12 months forecast.

Risk exposure

Remsons Industries Limited's corporate risk department assess and control the exposure to risks from price, credit, liquidity, and cash flow. This constant monitoring reduces the exposure to risk.

Research and development

The company continues to undertake R&D activities based around its product range of Automotive Control System Assemblies. Ongoing update of products is carried out to meet customer changing technical needs, and new electrification programme requirements.

Disclosure of information to the auditors

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

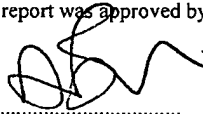
Reappointment of auditors

The auditors KNAV Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Small companies provision statement

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

This report was approved by the Board on 20 September 2023 and signed on its behalf by:



.....
Mr D Bains
Director

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Statement of Directors' Responsibilities

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and 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 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.

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Independent Auditor's Report to the Members of Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Opinion

We have audited the financial statements of Remsons Automotive Ltd (formerly Magal Automotive Ltd.) (the 'company') for the year ended 31 March 2023, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 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 responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 original financial statements were 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 directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Independent Auditor's Report to the Members of Remsons Automotive Ltd (formerly Magal Automotive Ltd.) (continued)

Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Responsibilities of directors

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

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

Auditor Responsibilities for the audit of the financial statements

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

A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Independent Auditor's Report to the Members of Remsons Automotive Ltd (formerly Magal Automotive Ltd.) (continued)

Extent to which the audit is capable of detecting irregularities, including fraud

We design our procedures so as to obtain sufficient appropriate audit evidence that the financial statements are not materially misstated due to non-compliance with laws and regulations or due to fraud or error.

We are not responsible for preventing non-compliance and cannot be expected to detect noncompliance with all laws and regulations - this responsibility lies with management with the oversight of the Directors.

Based on our understanding of the Company and industry, discussions with management, we identified Companies Act 2006, Financial Reporting Standard 102 Section 1A, and UK taxation legislation as having a direct effect on the amounts and disclosures in the financial statements.

As part of the engagement team discussion about how and where the Company's financial statements may be materially misstated due to fraud, we did not identify any areas with an increased risk of fraud.

Our audit procedures included:

- enquiry of management about the Company's policies, procedures and related controls regarding compliance with laws and regulations and if there are any known instances of non-compliance;
- examining supporting documents for all material balances, transactions and disclosures;
- review of the Board of directors minutes;
- evaluation of the selection and application of accounting policies related to subjective measurements and complex transactions;
- analytical procedures to identify any unusual or unexpected relationships;
- testing the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements;
- review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

The potential effects of inherent limitations are particularly significant in the case of misstatement resulting from fraud because fraud may involve sophisticated and carefully organized schemes designed to conceal it, including deliberate failure to record transactions, collusion or intentional misrepresentations being made to us.

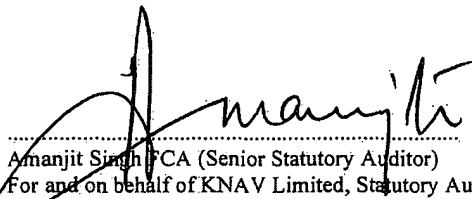
A further description of our responsibilities is available on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

**Independent Auditor's Report to the Members of Remsons Automotive Ltd (formerly
Magal Automotive Ltd.) (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.


Amanjit Singh FCA (Senior Statutory Auditor)
For and on behalf of KNAV Limited, Statutory Auditor

Hygeia Building
Ground Floor
66-68 College Road
Harrow
Middlesex
HA1 1BE

21 September 2023

2023-57-UK

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Profit and Loss Account for the Year Ended 31 March 2023

		31 March 2023	31 March 2022
	Note	£	£
Turnover		6,442,704	7,325,101
Cost of sales		<u>(3,973,095)</u>	<u>(4,687,935)</u>
Gross profit		2,469,609	2,637,166
Distribution costs		(228,284)	(355,636)
Administrative expenses		(1,949,091)	(1,954,205)
Other operating income		<u>-</u>	<u>21,925</u>
Operating profit		292,234	349,250
Interest payable and similar expenses		<u>(90,980)</u>	<u>(92,875)</u>
Profit before tax	4	201,254	256,375
Taxation		<u>(31,515)</u>	<u>15,305</u>
Profit for the financial year		<u><u>169,739</u></u>	<u><u>271,680</u></u>

The notes on pages 13 to 22 form an integral part of these financial statements.
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Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

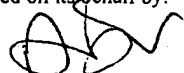
(Registration number: 12838779)

Balance Sheet as at 31 March 2023

	Note	2023 £	2022 £
Fixed assets			
Intangible assets	5	214,906	250,906
Tangible assets	6	<u>762,015</u>	<u>652,389</u>
		<u>976,921</u>	<u>903,295</u>
Current assets			
Stocks	7	1,093,406	1,263,988
Debtors	8	1,628,344	1,721,198
Cash at bank and in hand		<u>895,898</u>	<u>543,586</u>
		3,617,648	3,528,772
Creditors: Amounts falling due within one year	9	<u>(1,932,056)</u>	<u>(1,766,423)</u>
Net current assets		<u>1,685,592</u>	<u>1,762,349</u>
Total assets less current liabilities		2,662,513	2,665,644
Creditors: Amounts falling due after more than one year	9	(1,485,622)	(1,690,007)
Provisions for liabilities		<u>(114,186)</u>	<u>(82,671)</u>
Net assets		<u>1,062,705</u>	<u>892,966</u>
Capital and reserves			
Called up share capital	12	500,000	500,000
Retained earnings		<u>562,705</u>	<u>392,966</u>
Shareholders' funds		<u>1,062,705</u>	<u>892,966</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

These financial statements were approved and authorised for issue by the Board on 20 September 2023 and signed on its behalf by:



.....
Mr D Bains
Director

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Statement of Changes in Equity for the Year Ended 31 March 2023

	Share capital	Retained	Total
	£	earnings	£
At 1 April 2021	<u>500,000</u>	<u>121,286</u>	<u>621,286</u>
Profit for the year	<u>-</u>	<u>271,680</u>	<u>271,680</u>
At 31 March 2022	<u>500,000</u>	<u>392,966</u>	<u>892,966</u>
	Share capital	Retained	Total
	£	earnings	£
At 1 April 2022	<u>500,000</u>	<u>392,966</u>	<u>892,966</u>
Profit for the year	<u>-</u>	<u>169,739</u>	<u>169,739</u>
At 31 March 2023	<u>500,000</u>	<u>562,705</u>	<u>1,062,705</u>

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Notes to the Financial Statements for the Year Ended 31 March 2023

1 General information

The company is a private company limited by share capital, incorporated in England and Wales.

The address of its registered office is:

Baldwin Road
Stourport-On-Severn
DY13 9BB
England

These financial statements were authorised for issue by the Board on 20 September 2023.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements have been prepared in accordance with Financial Reporting Standard 102 Section 1A - 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006 as applicable to companies subject to small companies regime. The disclosure requirements of section 1A of the FRS 102 have applied other than where additional disclosure is required to show a true and fair view.

Basis of preparation

Summary of disclosure exemptions:

In preparing these financial statements, the company has taken advantage of the exemption from disclosing certain financial instrument disclosures, as permitted by FRS102 paragraph 1.12 (b), on the basis that it is a qualifying entity and its ultimate parent company, Remsons Industries Ltd., includes these in its own financial statements.

The financial statements are prepared in UK Pound Sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Name of parent of group

These financial statements are consolidated in the financial statements of Remsons Industries Ltd. These may be obtained from:

401.4th Floor
Glanddiola Hanuman Road
Vile Parle East
Mumbai, Maharashtra
India 400057

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Going concern

The company has net assets of £1,062,705 as at 31 March 2023. On the basis of the directors assessment of the company's financial position and the willingness of the ultimate parent company, Remsons Industries Limited, to provide continued support, the company's directors have a reasonable expectation that the company will be able to continue in operational existence for the foreseeable future, being a period of not less than twelve months from the approval of these financial statements. Therefore, these financial statements have been prepared on a going concern basis.

Turnover

Turnover comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The company recognises revenue when:

The amount of revenue can be reliably measured;
it is probable that future economic benefits will flow to the entity;
and specific criteria have been met for each of the company's activities.

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 rate on the date when the fair value is re-measured.

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

Tax

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit and loss account 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 the 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date.

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Tangible assets

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

Depreciation

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

Asset class	Depreciation method and rate
Plant and machinery	5 to 6 years Straight line basis
Fixtures, fittings and equipment	2 to 4 years Straight line basis
Motor vehicles	6 years Straight line basis

Business combinations

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Goodwill

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life.

Intangible assets

Trademarks, licences (including software) and customer-related intangible assets acquired in a business combination are recognised at fair value at the acquisition date.

Trademarks, licences and customer-related intangible assets have a finite useful life and are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Asset class	Amortisation method and rate
Goodwill	Straight line over 5 years
Customer contracts	Straight line over 10 years

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

Trade debtors

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

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are 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.

At each reporting period date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Trade 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 an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

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

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Borrowings

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee.

Assets held under finance leases are recognised at the lower of their fair value at inception of the lease and the present value of the minimum lease payments. These assets are depreciated on a straight-line basis over the shorter of the useful life of the asset and the lease term. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance costs in the profit and loss account and reduction of the lease obligation so as to achieve a constant periodic rate of interest on the remaining balance of the liability.

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. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

Defined contribution pension obligation

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

2 Accounting policies (continued)

Financial instruments

Classification

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised 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.

Recognition and measurement

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

3 Staff numbers

The average monthly number of persons employed by the company (including directors) during the year, was 57 (2022: 47).

4 Profit before tax

Arrived at after charging/(crediting)

	31 March 2023	31 March 2022
	£	£
Depreciation expense	281,387	217,980
Amortisation expense	<u>36,000</u>	<u>37,186</u>

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

5 Intangible assets

	Goodwill £	Contractual customer relationships £	Total £
Cost or valuation			
At 1 April 2022	65,173	241,512	306,685
At 31 March 2023	<u>65,173</u>	<u>241,512</u>	<u>306,685</u>
Amortisation			
At 1 April 2022	19,552	36,227	55,779
Amortisation charge	11,849	24,151	36,000
At 31 March 2023	<u>31,401</u>	<u>60,378</u>	<u>91,779</u>
Carrying amount			
At 31 March 2023	<u>33,772</u>	<u>181,134</u>	<u>214,906</u>
At 31 March 2022	<u>45,621</u>	<u>205,285</u>	<u>250,906</u>

6 Tangible assets

	Furniture, fittings and equipment £
Cost	
At 1 April 2022	959,559
Additions	416,113
Disposals	<u>(37,650)</u>
At 31 March 2023	<u>1,338,022</u>
Depreciation	
At 1 April 2022	307,170
Charge for the year	281,387
Eliminated on disposal	<u>(12,550)</u>
At 31 March 2023	<u>576,007</u>
Carrying amount	
At 31 March 2023	<u>762,015</u>
At 31 March 2022	<u>652,389</u>

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

7 Stocks

	2023	2022
	£	£
Raw materials and consumables	692,346	938,043
Work in progress	118,379	81,482
Finished goods and goods for resale	282,681	244,463
	<u>1,093,406</u>	<u>1,263,988</u>

8 Debtors

	2023	2022
	£	£
Trade debtors	1,271,478	1,427,348
Amounts owed by group undertakings	13 97,086	-
Prepayments	123,911	108,085
Other debtors	135,869	185,765
	<u>1,628,344</u>	<u>1,721,198</u>

9 Creditors

Creditors: amounts falling due within one year

	2023	2022
	£	£
Due within one year		
Bank loans and overdrafts	10 153,725	-
HP and finance lease liabilities	10 79,864	95,578
Trade creditors	716,763	841,605
Taxation and social security	32,499	33,326
Other creditors	7,583	7,801
Accrued expenses	482,583	402,898
Deferred income	459,039	385,215
	<u>1,932,056</u>	<u>1,766,423</u>
Due after one year		
Loans and borrowings	10 1,348,380	-
Amounts owed to group undertakings	-	1,629,961
HP and finance lease liabilities	10 137,242	60,046
	<u>1,485,622</u>	<u>1,690,007</u>

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

10 Loans and borrowings

	2023	2022
	£	£
Current loans and borrowings		
Bank borrowings	153,725	-
Finance lease liabilities	<u>79,864</u>	<u>95,578</u>
	<u>233,589</u>	<u>95,578</u>
	2023	2022
	£	£
Non-current loans and borrowings		
Bank borrowings	1,348,380	-
Finance lease liabilities	<u>137,242</u>	<u>60,046</u>
	<u>1,485,622</u>	<u>60,046</u>

In March 2023 the company received a bank loan from Lloyds Bank of £1,515,000 with a nominal interest rate of base rate plus 2.47%. The loan is for a period of 10 years and the amount payable in installments after five years is £757,000. The carrying amount at year end is £1,502,105 (2022: Nil). This bank loan is secured by way of a fixed and floating charge over all of the assets of the company, over the assets of Remsons Holdings Limited (parent company) and over the property of Remsons Properties Limited (fellow group undertaking).

11 Financial commitments, guarantees and contingencies

The company has provided a guarantee to Lloyds Bank PLC for the payment of liabilities of its parent company, Remsons Holdings Limited, and its fellow group undertaking, Remsons Properties Limited, should the bank demand it.

12 Share capital

Allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>	<u>500,000</u>

Remsons Automotive Ltd (formerly Magal Automotive Ltd.)

Notes to the Financial Statements for the Year Ended 31 March 2023 (continued)

13 Related party transactions

Summary of transactions with other related parties

The company has taken advantage of the exemptions available in FRS 102 section 1A from disclosing related party transactions with other companies that are wholly owned within the group.

14 Pension

The Company operates a defined pension scheme. The assets of the schemes are held separately from those of the Company in an independently administered fund. The pension cost charged represents contributions payable by the Company to the fund and amounted to £42,980 (2022: £39,813). Contributions totalling £7,072 (2022: £7,711) were payable to the fund at the reporting date and are included in creditors.

15 Parent and ultimate parent undertaking

The company's immediate parent is Remsons Holdings Ltd, incorporated in England and Wales.

The ultimate parent is Remsons Industries Limited, incorporated in India.

These financial statements are available upon request from Remsons Industries Limited
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Mumbai, Maharashtra
India 400057