

Registered number: 10060168

INTERNATIONAL WIRE & MACHINERY ASSOCIATION LIMITED
(A Company Limited by Guarantee)

Financial statements

Information for filing with the registrar

For the Year Ended 30 September 2017



INTERNATIONAL WIRE & MACHINERY ASSOCIATION LIMITED
(A Company Limited by Guarantee)
Registered number: 10060168

Balance Sheet
As at 30 September 2017

| | Note | 2017 £ | 2016 £ |
|--|------|----------------------|-----------------|
| Fixed assets | | | |
| Intangible assets | 4 | (402,039) | - |
| Tangible assets | 5 | 2,820 | - |
| | | <u>(399,219)</u> | <u>-</u> |
| Current assets | | | |
| Debtors: amounts falling due within one year | 6 | 202,338 | - |
| Cash at bank and in hand | 7 | 484,586 | - |
| | | <u>686,924</u> | <u>-</u> |
| Creditors: amounts falling due within one year | 8 | (198,335) | - |
| | | <u>488,589</u> | <u>-</u> |
| Net current assets | | <u>488,589</u> | <u>-</u> |
| Total assets less current liabilities | | <u>89,370</u> | <u>-</u> |
| Provisions for liabilities | | | |
| Deferred tax | 10 | (2,058) | - |
| | | <u>(2,058)</u> | <u>-</u> |
| Net assets | | <u><u>87,312</u></u> | <u><u>-</u></u> |
| Capital and reserves | | | |
| Profit and loss account | | 87,312 | - |
| | | <u><u>87,312</u></u> | <u><u>-</u></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 comprehensive income 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 7 February 2018.

Mr P S Wright
Director



The notes on pages 2 to 11 form part of these financial statements.

INTERNATIONAL WIRE & MACHINERY ASSOCIATION LIMITED
(A Company Limited by Guarantee)

Notes to the Financial Statements
For the Year Ended 30 September 2017

1. General information

International Wire & Machinery Association Limited is a private limited company, limited by guarantee and incorporated in the United Kingdom. The address of the registered office is given in the company information of these financial statements.

The financial statements are prepared in Sterling which is the functional currency of the company. The financial statements level of rounding is to the nearest £1.

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 following principal accounting policies have been applied:

2.2 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:

Rendering of services

Revenue represents subscription, conference and exhibitions and dinner dance income. Subscriptions received are allocated to the period to which they relate. No credit is taken for subscriptions received in advance. The company recognises revenue when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

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Notes to the Financial Statements
For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.3 Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, Goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Statement of Comprehensive Income over its useful economic life.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.4 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

| | | |
|-----------------------|---|-----|
| Fixtures and fittings | - | 25% |
| Computer equipment | - | 25% |

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.5 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.

2.6 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.

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Notes to the Financial Statements
For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.7 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

2.8 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.

2.9 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

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 the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

INTERNATIONAL WIRE & MACHINERY ASSOCIATION LIMITED
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Notes to the Financial Statements
For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.10 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 15 March 2016 to continue to be charged over the period to the first market rent review rather than the term of the lease.

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 Comprehensive Income 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 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.13 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

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Notes to the Financial Statements
For the Year Ended 30 September 2017

2. Accounting policies (continued)

2.14 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

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.

2.15 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. Employees

The average monthly number of employees, including directors, during the year was 8 (2016:Nil).

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Notes to the Financial Statements
For the Year Ended 30 September 2017

4. Intangible assets

| | Negative goodwill £ |
|-------------------------|------------------------------------|
| Cost | |
| Additions - see note 13 | (804,078) |
| At 30 September 2017 | (804,078) |
| Amortisation | |
| Recognised for the year | (402,039) |
| At 30 September 2017 | (402,039) |
| Net book value | |
| At 30 September 2017 | (402,039) |
| At 30 September 2016 | - |

5. Tangible fixed assets

| | Fixtures and fittings £ | Computer equipment £ | Total £ |
|-------------------------------------|--|-------------------------------------|--------------------|
| Cost or valuation | | | |
| Transfer on business combination | 9,728 | 20,720 | 30,448 |
| At 30 September 2017 | 9,728 | 20,720 | 30,448 |
| Depreciation | | | |
| Charge for the year on owned assets | 2,429 | 5,043 | 7,472 |
| Transfer on business combination | 6,795 | 13,361 | 20,156 |
| At 30 September 2017 | 9,224 | 18,404 | 27,628 |
| Net book value | | | |
| At 30 September 2017 | 504 | 2,316 | 2,820 |
| At 30 September 2016 | - | - | - |

INTERNATIONAL WIRE & MACHINERY ASSOCIATION LIMITED
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Notes to the Financial Statements
For the Year Ended 30 September 2017

6. Debtors

| | 2017 £ | 2016 £ |
|--------------------------------|----------------|-----------|
| Trade debtors | 51,152 | - |
| Other debtors | 27,715 | - |
| Prepayments and accrued income | 123,471 | - |
| | <u>202,338</u> | <u>-</u> |

7. Cash and cash equivalents

| | 2017 £ | 2016 £ |
|--------------------------|----------------|-----------|
| Cash at bank and in hand | 484,586 | - |
| | <u>484,586</u> | <u>-</u> |

8. Creditors: Amounts falling due within one year

| | 2017 £ | 2016 £ |
|------------------------------------|----------------|-----------|
| Trade creditors | 18,647 | - |
| Corporation tax | 72,437 | - |
| Other taxation and social security | 3,273 | - |
| Accruals and deferred income | 103,978 | - |
| | <u>198,335</u> | <u>-</u> |

9. Financial instruments

| | 2017 £ | 2016 £ |
|--|----------------|-----------|
| Financial assets | | |
| Financial assets measured at transaction price | 484,586 | - |
| | <u>484,586</u> | <u>-</u> |

Financial assets measured at transaction price comprise of cash at bank and in hand.

**Notes to the Financial Statements
For the Year Ended 30 September 2017**

| | | |
|----------------------------------|--|----------------|
| | | 2017 £ |
| Arising on business combinations | | (2,058) |
| At end of year | | (2,058) |

| | | |
|--------------------------------|----------------|-----------|
| | 2017 £ | 2016 £ |
| Accelerated capital allowances | (2,058) | - |
| | (2,058) | - |

The company is a private company limited by guarantee and consequently does not have share capital. Each of the members is liable to contribute an amount not exceeding £1 towards the assets of the company in the event of liquidation.

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Notes to the Financial Statements
For the Year Ended 30 September 2017

12. Business combinations

Acquisition of International Wire & Machinery Association

| | Book value £ | Fair value £ |
|--|-----------------|-----------------|
| Tangible | 10,291 | 10,291 |
| | <u>10,291</u> | <u>10,291</u> |
| Debtors | 84,591 | 84,591 |
| Cash at bank and in hand | 853,416 | 853,416 |
| | <u>948,298</u> | <u>948,298</u> |
| Total assets | 948,298 | 948,298 |
| Due within one year | (142,162) | (142,162) |
| Deferred tax on differences between fair value and tax bases | (2,058) | (2,058) |
| | <u>804,078</u> | <u>804,078</u> |
| Fair value of net assets | 804,078 | 804,078 |
| Negative goodwill | (804,078) | (804,078) |
| | <u>-</u> | <u>-</u> |
| Total purchase consideration | - | - |
| | <u>853,416</u> | <u>853,416</u> |
| Cash and cash equivalents acquired | 853,416 | 853,416 |
| | <u>853,416</u> | <u>853,416</u> |
| Cash inflow on acquisition | 853,416 | 853,416 |

The company was incorporated to be the successor organisation to the International Wire and Machinery Association, an unincorporated association. A transfer agreement was entered into for the company to acquire all the trade and assets of the association with effect from 1 October 2016 and the transaction was accounted for as a business combination in accordance with FRS102. No consideration passed between the two organisations and as a result negative goodwill arose.

The book value and fair value of the net assets were considered to be the same and no adjustment has been made. The directors have concluded based upon the normal business cycle and the historic average annual expenditure to amortise the negative goodwill over two years.

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Notes to the Financial Statements
For the Year Ended 30 September 2017

13. Pension commitments

The Company operates a defined contributions pension scheme. The pension cost charge represents contributions payable by the Company to the scheme and amounted to £1,689 (2016: £nil). Contributions totalling £479 (2016: £nil) were payable to the fund at the balance sheet date and are included in creditors.

14. Related party transactions

The directors of the company were members of the unincorporated association which was acquired – see note 13.

Some of the directors are related to businesses who are members of the Association, there is no advantage to Board members in terms of membership fees.

The IWMA Education Trust is a separate company with directors who are also the charity trustees. The majority of the trustees are members of the executive board. During the year, International Wire & Machinery Association Limited made a donation of £10,000 (2016: £nil) to the Trust.

15. Auditors' information

The auditors' report on the financial statements for the year ended 30 September 2017 was unqualified.

The audit report was signed on 19 February 2018 by Adrian Jones (Senior Statutory Auditor) on behalf of Smith Cooper Limited.