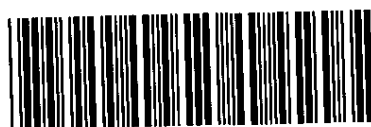


REGISTERED NUMBER: 07521411 (England and Wales)

STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
UNAUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019
FOR
HMS INDUSTRIAL NETWORKS LIMITED

THURSDAY



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for the Year Ended 31 December 2019

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HMS INDUSTRIAL NETWORKS LIMITED

COMPANY INFORMATION
for the Year Ended 31 December 2019

DIRECTORS:

C S Dahlstrom
K J Nideborn

SECRETARY:

Goodwille Limited

REGISTERED OFFICE:

C/O Goodwille Midlands
1 Chapel Street
Warwick
Warwickshire
CV34 4HL

REGISTERED NUMBER:

07521411 (England and Wales)

ACCOUNTANTS:

Michael Harwood & Co
Chartered Accountants
Greville House
10 Jury Street
Warwick
Warwickshire
CV34 4EW

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

**STRATEGIC REPORT
for the Year Ended 31 December 2019**

The directors present their strategic report for the year ended 31 December 2019.

REVIEW OF BUSINESS

The company has had another good trading year, in providing communication products which enable industrial machines and devices to communicate.

The company is part of a larger group of companies that operate in sixteen different countries and has a distribution network located in more than 50 countries.

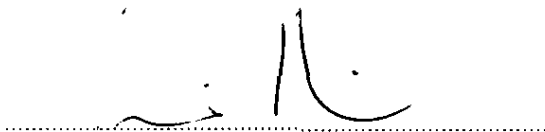
The company has made good progress to date in building a share of the UK market, selling the Group's key products, namely Anybus., IXAAT, eWon. and Intesis.

PRINCIPAL RISKS AND UNCERTAINTIES

The main business risk facing the company is that having built up a respectable share of the UK market for the Group's products, that it continues to achieve year on year growth. It manages to reduce this risk by attending trade exhibitions where it can demonstrate its products. The company is an active member of the PROFIBUS Trade Organisation and through its Anybus product range it works in close co-operation with several of the world's leading manufactures such as Rockwell Automation, Siemens, Schneider Electric, ABB, Mitsubishi and actively participates with their respective partner programs around the world.

The company is part of a sizeable group of companies whose consolidated revenue in the 2019 calendar year was in excess of 144 million Euros (approximately £123 million). The UK company is very closely monitored and supported by the group whose headquarters are based in Sweden.

ON BEHALF OF THE BOARD:



K J Nideborn - Director

Date: 23 October 2020

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

**REPORT OF THE DIRECTORS
for the Year Ended 31 December 2019**

The directors present their report with the financial statements of the company for the year ended 31 December 2019.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of manufacture, sale and support of network communication products which enable industrial machines and devices to communicate.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2019.

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

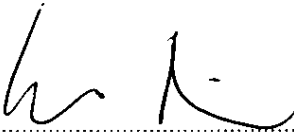
DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

C S Dahlstrom
K J Nideborn

Due to the continued support of the HMS Industrial Network Group, the directors consider that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing these financial statements.

ON BEHALF OF THE BOARD:



.....
K J Nideborn - Director

Date: 23 October 2020

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

STATEMENT OF COMPREHENSIVE INCOME
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
TURNOVER		827,378	649,206
Administrative expenses		<u>803,280</u>	<u>630,298</u>
OPERATING PROFIT	5	24,098	18,908
Interest receivable and similar income		<u>39</u>	<u>42</u>
PROFIT BEFORE TAXATION		24,137	18,950
Tax on profit	6	<u>5,973</u>	<u>5,026</u>
PROFIT FOR THE FINANCIAL YEAR		18,164	13,924
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>18,164</u>	<u>13,924</u>

The notes form part of these financial statements

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

BALANCE SHEET
31 December 2019

	Notes	31.12.19 £	31.12.18 £
FIXED ASSETS			
Tangible assets	7	1,386	2,080
CURRENT ASSETS			
Debtors	8	123,514	111,537
Cash at bank		24,983	17,345
		<u>148,497</u>	<u>128,882</u>
CREDITORS			
Amounts falling due within one year	9	47,994	47,237
NET CURRENT ASSETS		<u>100,503</u>	<u>81,645</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>101,889</u>	<u>83,725</u>
CAPITAL AND RESERVES			
Called up share capital	10	1	1
Retained earnings	11	101,888	83,724
SHAREHOLDERS' FUNDS		<u>101,889</u>	<u>83,725</u>

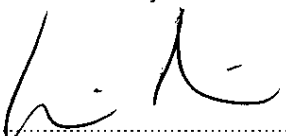
The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 December 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 December 2019 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The financial statements were approved by the Board of Directors and authorised for issue on 23 October 2020 and were signed on its behalf by:


.....
K J Nideborn - Director

The notes form part of these financial statements

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

STATEMENT OF CHANGES IN EQUITY
for the Year Ended 31 December 2019

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	1	69,800	69,801
Changes in equity			
Total comprehensive income	-	13,924	13,924
Balance at 31 December 2018	1	83,724	83,725
Changes in equity			
Total comprehensive income	-	18,164	18,164
Balance at 31 December 2019	1	101,888	101,889

The notes form part of these financial statements

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

CASH FLOW STATEMENT
for the Year Ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
Cash flows from operating activities			
Cash generated from operations	1	10,002	24,654
Tax paid		(5,026)	(3,996)
Net cash from operating activities		<u>4,976</u>	<u>20,658</u>
Cash flows from investing activities			
Interest received		39	42
Net cash from investing activities		<u>39</u>	<u>42</u>
Cash flows from financing activities			
Movement on group loan		2,623	(9,074)
Net cash from financing activities		<u>2,623</u>	<u>(9,074)</u>
Increase in cash and cash equivalents		<u>7,638</u>	<u>11,626</u>
Cash and cash equivalents at beginning of year	2	17,345	5,719
Cash and cash equivalents at end of year	2	<u><u>24,983</u></u>	<u><u>17,345</u></u>

The notes form part of these financial statements

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

NOTES TO THE CASH FLOW STATEMENT
for the Year Ended 31 December 2019

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.19	31.12.18
	£	£
Profit before taxation	24,137	18,950
Depreciation charges	693	693
Finance income	(39)	(42)
	<u>24,791</u>	<u>19,601</u>
Increase in trade and other debtors	(14,599)	(2,586)
(Decrease)/increase in trade and other creditors	(190)	7,639
Cash generated from operations	<u><u>10,002</u></u>	<u><u>24,654</u></u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u><u>24,983</u></u>	<u><u>17,345</u></u>

Year ended 31 December 2018

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	<u><u>17,345</u></u>	<u><u>5,719</u></u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
Net cash			
Cash at bank	<u>17,345</u>	<u>7,638</u>	<u>24,983</u>
	<u>17,345</u>	<u>7,638</u>	<u>24,983</u>
Total	<u><u>17,345</u></u>	<u><u>7,638</u></u>	<u><u>24,983</u></u>

The notes form part of these financial statements

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

**NOTES TO THE FINANCIAL STATEMENTS
for the Year Ended 31 December 2019**

1. STATUTORY INFORMATION

HMS Industrial Networks Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with the provisions of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention.

Due to the continued support of the HMS Industrial Networks Group, the directors consider that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis has been adopted in preparing these financial statements.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Fixtures and fittings	- 20% on cost
Computer equipment	- 33.33% on cost

Financial instruments

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

Financial instruments are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Basic financial assets

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 classed as receivable within one year are not amortised.

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Pension costs and other post-retirement benefits

The company makes contributions to a personal pension plan for certain of its employees and these contributions are charged as an expense as they fall due.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand and deposits held at call with banks,

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019**

3. ACCOUNTING POLICIES - continued

Taxation

The tax expense represents the sum of the tax currently payable and which is based on the profit for the year. Taxable profit differs from net profit reported in the Statement of Comprehensive Income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

4. EMPLOYEES AND DIRECTORS

	31.12.19	31.12.18
	£	£
Wages and salaries	418,763	358,892
Social security costs	47,930	36,561
Other pension costs	22,280	17,494
	<u>488,973</u>	<u>412,947</u>

The average number of employees during the year was as follows:

	31.12.19	31.12.18
Sales staff	<u>7</u>	<u>6</u>

	31.12.19	31.12.18
	£	£
Directors' remuneration	<u>-</u>	<u>-</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	31.12.19	31.12.18
	£	£
Depreciation - owned assets	<u>694</u>	<u>694</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	31.12.19	31.12.18
	£	£
Current tax:		
UK corporation tax	<u>5,973</u>	<u>5,026</u>
Tax on profit	<u>5,973</u>	<u>5,026</u>

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019**

7. TANGIBLE FIXED ASSETS

	Fixtures and fittings £	Computer equipment £	Totals £
COST			
At 1 January 2019			
and 31 December 2019	<u>3,827</u>	<u>1,336</u>	<u>5,163</u>
DEPRECIATION			
At 1 January 2019	<u>1,747</u>	<u>1,336</u>	<u>3,083</u>
Charge for year	694	-	694
At 31 December 2019	<u>2,441</u>	<u>1,336</u>	<u>3,777</u>
NET BOOK VALUE			
At 31 December 2019	<u>1,386</u>	<u>-</u>	<u>1,386</u>
At 31 December 2018	<u>2,080</u>	<u>-</u>	<u>2,080</u>

8. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Amounts owed by group undertakings	<u>96,672</u>	99,294
Other debtors	<u>9,770</u>	1,566
VAT	<u>11,323</u>	5,426
Prepayments	<u>5,749</u>	5,251
	<u>123,514</u>	<u>111,537</u>

9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	31.12.19 £	31.12.18 £
Trade creditors	<u>4,076</u>	12,002
Corporation tax	<u>5,973</u>	5,026
Social security and other taxes	<u>14,969</u>	14,345
Other creditors	<u>7,340</u>	5,311
Accrued expenses	<u>15,636</u>	10,553
	<u>47,994</u>	<u>47,237</u>

10. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:				
Number:	Class:	Nominal value: £1	31.12.19 £	31.12.18 £
1	Ordinary		<u>1</u>	<u>1</u>

HMS INDUSTRIAL NETWORKS LIMITED (REGISTERED NUMBER: 07521411)

**NOTES TO THE FINANCIAL STATEMENTS - continued
for the Year Ended 31 December 2019**

11. RESERVES

**Retained
earnings
£**

At 1 January 2019
Profit for the year

**83,724
18,164**

At 31 December 2019

101,888

12. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate, and amounted to £22,280 during the year (2018 : £17,494).

13. OTHER FINANCIAL COMMITMENTS

At 31st December 2019, the company had total commitments under non-cancellable operating leases over the remaining life of those leases of £22,185 (2018: £50,832).

14. RELATED PARTY DISCLOSURES

As at the Balance sheet date the company was owed the following balance by its Parent company, HMS Industrial Networks AB.

Amounts due on Loan Account

£96,672

Total balance owed

£96,672

Sales invoiced in the year to HMS Industrial Networks AB amounted to £827,378 (2018: £649,206).

15. POST BALANCE SHEET EVENTS

Coronavirus COVID- 19

Since the year end the world has been affected by a pandemic with effects that no one could have foreseen and it is currently impossible to estimate the extent of the negative impact the COVID - 19 could have on the UK company and the Group. In the short term there has been a decline in order intake and sales and decisions have been taken to adapt the company's costs to the lower demand for a few months.

The UK company is strongly supported by the HMS Group which still has a very strong financial position. HMS is monitoring developments closely and will take further actions where necessary to reduce any negative effects on the business.

16. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is HMS Industrial Networks AB, a company incorporated in Sweden, although the ultimate controlling company is HMS Network AB (publ) who are also incorporated in Sweden.