

Company Registration No. 03609272 (England and Wales)

**INDUSTRIAL CONTROL DISTRIBUTORS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2021**

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr M E Parker Mr J F Smith Miss H Marden Mr I Beaumont
<b>Secretary</b>	Mr J F Smith
<b>Company number</b>	03609272
<b>Registered office</b>	Units 8-9 Bridle Close Finedon Road Industrial Estate Wellingborough Northamptonshire NN8 4RN
<b>Auditor</b>	Clifford Roberts Pacioli House 9 Brookfield, Duncan Close Moulton Park Northampton NN3 6WL
<b>Business address</b>	Units 8-9 Bridle Close Finedon Road Industrial Estate Wellingborough Northamptonshire NN8 4RN

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# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

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# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## STRATEGIC REPORT

**FOR THE YEAR ENDED 31 MARCH 2021**

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The directors present the strategic report for the year ended 31 March 2021.

### **Fair review of the business**

The company has continued to make sales and has achieved a gross profit margin at a higher level than the previous year. The net profit is in line with expectations.

the turnover and gross profit of the company is analysed below:

Turnover	2021 - £	22,118,048	2020 - £14,601,008
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Gross profit	2021 - 42.4 %	2020 - 41.7%
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The directors anticipate increased turnover and profitability over the course of the next year and are confident the company will continue trading as a going concern.

### **Principal risks and uncertainties**

The customer base remains mainly UK based, therefore sales are in GBP with limited risk due to effects of any large exchange rate fluctuations.

The company does not foresee any trade debtors on the balance sheet as being not receivable, the industry sector they deal within is predominantly large corporates with a long track record and good standing.

The company has exposure to two main areas of risk - customer credit exposure and liquidity risk.

#### **Customer credit exposure**

Credit terms may be offered to its customers who allow payment of the debt after delivery of the goods or service. The company is at risk to the extent that a customer may be unable to pay the debt on a specific due date. This risk is mitigated by the strong on-going customer relationships and by credit insurance.

#### **Liquidity risk**

The objective of the company in managing liquidity risk is to ensure that it can meet its financial obligations as and when they fall due. The company expects to meet its financial obligations through operating cash flows. In the event that the operating cash flows would not cover all the financial obligations the company would explore acquiring credit facilities. Given the cash reserves held by the company, the company is in a position to meet its commitments and obligations as they become due.

#### **Foreign currency risk**

The company is exposed to foreign currency risk which arise as a result of its operations. Predominantly, the sales and purchases are denominated in Sterling. Due to the small number of foreign currency transactions, the company does not enter into forward currency contracts.

# **INDUSTRIAL CONTROL DISTRIBUTORS LIMITED**

## **STRATEGIC REPORT (CONTINUED)**

***FOR THE YEAR ENDED 31 MARCH 2021***

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### **Development and performance**

The company has undertaken even greater levels of research and development than in previous years in order to maintain their 'go to' status within the mobile telecom industry. This investment will continue whilst the transition to 5G takes place.

### **Other information and explanations**

#### **Employment Policy**

The company employ new staff via agencies as the need arises. There is an equal opportunities policy in place and the staff are of multi gender and multi race.

On behalf of the board

Mr J F Smith

**Director**

30 March 2022

# **INDUSTRIAL CONTROL DISTRIBUTORS LIMITED**

## **DIRECTORS' REPORT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The directors present their annual report and financial statements for the year ended 31 March 2021.

### **Principal activities**

The principal activity of the company continued to be that of the manufacture and sale of telecoms infrastructure equipment.

### **Results and dividends**

The results for the year are set out on page 9.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr M E Parker  
Mr J F Smith  
Miss H Marden  
Mr I Beaumont

### **Auditor**

In accordance with the company's articles, a resolution proposing that Clifford Roberts be reappointed as auditor of the company will be put at a General Meeting.

### **Statement of disclosure to auditor**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

### **Disclosure in the strategic report**

Research and development, financial risk management objectives and policies and the exposure to credit, liquidity and foreign currency risks are set out in the strategic report (as defined by section 414 C (11) of the Companies Act 2006).

On behalf of the board

Mr J F Smith  
**Director**

30 March 2022

# **INDUSTRIAL CONTROL DISTRIBUTORS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 MARCH 2021***

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBER OF INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

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#### Qualified opinion on financial statements

We have audited the financial statements of Industrial Control Distributors Limited (the 'company') for the year ended 31 March 2021 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, the statement of changes in equity and notes to the financial statements, including 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, except for the effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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 qualified opinion

Due to COVID-19 lockdowns, we were not able to attend the stock-take and thus did not observe the counting of physical stock and work-in-progress at the end of the current and prior years.

We were unable to satisfy ourselves by alternative means concerning the stock quantities held at 31 March 2021, which are included in the balance sheet at £988,860, by using other audit procedures. Consequently we were unable to determine whether any adjustment to this amount was necessary. We were also unable to satisfy ourselves by alternative means concerning the stock quantities of £1,433,250 held at 31 March 2020 by using other audit procedures. Consequently, we were unable to determine whether any adjustment to this amount at 31 March 2020 was necessary or whether there was any consequential effect on the cost of sales for the year ended 31 March 2021. In addition, were any adjustment to the stock and work-in-progress balance to be required, the strategic report would also need to be amended.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the 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 qualified opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



# **INDUSTRIAL CONTROL DISTRIBUTORS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF INDUSTRIAL CONTROL DISTRIBUTORS LIMITED**

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#### **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.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the stock and work-in-progress quantities of £988,860 held at 31 March 2021 and £1,433,250 held at 31 March 2020. We have concluded that where the other information refers to the stock and work-in-progress balance or related balances such as cost of sales, it may be materially misstated for the same reason.

#### **Opinions on other matters prescribed by the Companies Act 2006**

Except for the possible effects of the matter described in the basis for qualified opinion section of our report, in our opinion, based on the work undertaken in the course of our audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

#### **Matters on which we are required to report by exception**

Except for the matter described in the basis for qualified opinion section of our report, in the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

Arising solely from the limitation on the scope of our work relating to stocks and work-in-progress, referred to above:

- we have not obtained all the information and explanations that we considered necessary for the purpose of our audit; and
- we were unable to determine whether adequate accounting records have been kept.

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:

- 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 remuneration specified by law are not made.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBER OF INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

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#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the legal and regulatory framework applicable to the company and the sector in which they operate. We determined that the following laws and regulations were most significant: the Companies Act 2006, UK Generally Accepted Accounting Practice and UK corporate taxation laws.  
We obtained an understanding of how the company is complying with those legal and regulatory frameworks by making inquiries to the management and by observing the oversight of management, the culture of honesty and ethical behaviour and whether strong emphasis is placed on fraud prevention, which may reduce the opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud in the first instance. We corroborated our inquiries through our review of all relevant available audit information.
- We assessed and understood the susceptibility of the company's financial statements to material misstatement, including how fraud might occur. Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. The audit procedures performed by the engagement team included:
  - > Identifying and assessing the design and effectiveness of controls management has in place to prevent and detect fraud;
  - > understanding of how senior management considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
  - > challenging assumptions and judgements made by management in its significant accounting estimates;
  - > Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias; and,
  - > assessing the extent of compliance with relevant laws and regulations.

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

# **INDUSTRIAL CONTROL DISTRIBUTORS LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBER OF INDUSTRIAL CONTROL DISTRIBUTORS LIMITED**

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#### **Use of our report**

This report is made solely to the company's member 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 member those matters we are required to state to the member 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 member for our audit work, for this report, or for the opinions we have formed.

**Robert Dearing BEng FCA (Senior Statutory Auditor)**  
**For and on behalf of Clifford Roberts**

30 March 2022

**Chartered Accountants**  
**Statutory Auditor**

Pacioli House  
9 Brookfield, Duncan Close  
Moulton Park  
Northampton  
NN3 6WL

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## PROFIT AND LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH 2021

	Notes	2021 £	2020 £
<b>Turnover</b>	<b>3</b>	22,118,048	14,601,008
Cost of sales		(12,733,761)	(8,513,258)
<b>Gross profit</b>		<u>9,384,287</u>	<u>6,087,750</u>
Administrative expenses		(9,052,803)	(5,619,724)
Other operating income		15,969	-
<b>Operating profit</b>	<b>4</b>	<u>347,453</u>	<u>468,026</u>
Interest receivable and similar income	<b>7</b>	340	11,829
Interest payable and similar expenses	<b>8</b>	(21)	-
<b>Profit before taxation</b>		<u>347,772</u>	<u>479,855</u>
Tax on profit	<b>9</b>	(67,769)	(60,425)
<b>Profit for the financial year</b>		<u><u>280,003</u></u>	<u><u>419,430</u></u>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **INDUSTRIAL CONTROL DISTRIBUTORS LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 MARCH 2021***

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	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Profit for the year	280,003	419,430
Other comprehensive income	-	-
Total comprehensive income for the year	<u>280,003</u>	<u>419,430</u>

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## BALANCE SHEET

AS AT 31 MARCH 2021

	Notes	2021 £	£	2020 £	£
<b>Fixed assets</b>					
Goodwill	10		84,776		108,998
Tangible assets	11		73,315		65,162
			<u>158,091</u>		<u>174,160</u>
<b>Current assets</b>					
Stocks	12	988,860		1,433,250	
Debtors	13	4,225,260		3,402,779	
Cash at bank and in hand		9,301,699		3,990,244	
		<u>14,515,819</u>		<u>8,826,273</u>	
<b>Creditors: amounts falling due within one year</b>	14	(10,089,603)		(4,696,129)	
<b>Net current assets</b>			<u>4,426,216</u>		<u>4,130,144</u>
<b>Net assets</b>			<u>4,584,307</u>		<u>4,304,304</u>
<b>Capital and reserves</b>					
Called up share capital	16		2		2
Profit and loss reserves	17		4,584,305		4,304,302
<b>Total equity</b>			<u>4,584,307</u>		<u>4,304,304</u>

The financial statements were approved by the board of directors and authorised for issue on 30 March 2022 and are signed on its behalf by:

Mr J F Smith  
Director

Company Registration No. 03609272

## INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

### STATEMENT OF CHANGES IN EQUITY

*FOR THE YEAR ENDED 31 MARCH 2021*

	Share capital	Profit and loss reserves	Total
	£	£	£
<b>Balance at 1 April 2019</b>	2	3,884,872	3,884,874
<b>Year ended 31 March 2020:</b>			
Profit and total comprehensive income for the year	-	419,430	419,430
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2020</b>	2	4,304,302	4,304,304
<b>Year ended 31 March 2021:</b>			
Profit and total comprehensive income for the year	-	280,003	280,003
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 March 2021</b>	2	4,584,305	4,584,307
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# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

#### Company information

Industrial Control Distributors Limited is a private company limited by shares incorporated in England and Wales. The registered office is Units 8-9 Bridle Close, Finedon Road Industrial Estate, Wellingborough, Northamptonshire, NN8 4RN.

#### 1.1 Accounting convention

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

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

The financial statements have been prepared under the historical cost convention, modified to include financial instruments at fair value where applicable. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Industrial Control Distributors (Holdings) Ltd. These consolidated financial statements are available from its registered office, Units 8-9 Bridle Close, Finedon Road Industrial Estate, Wellingborough, Northamptonshire, NN8 4RN.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.



# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.3 Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

When cash inflows are deferred and represent a financing arrangement, the fair value of the consideration is the present value of the future receipts. The difference between the fair value of the consideration and the nominal amount received is recognised as interest income.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

#### 1.4 Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of unincorporated businesses over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is 10 years.

#### 1.5 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Plant and equipment	25% on reducing balance
Fixtures and fittings	25% on reducing balance
Computers	25% on cost
Motor vehicles	25% on reducing balance
Mezzanine floor	25% on reducing balance

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.6 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

#### 1.7 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting 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.

#### 1.8 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.9 Financial instruments

##### **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 classified as receivable within one year are not amortised.

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### **Impairment of financial assets**

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.

#### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### **Classification of financial liabilities**

Financial 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.

#### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

#### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

### 1.10 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account 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.

#### **Deferred tax**

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

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### 1 Accounting policies

(Continued)

#### 1.12 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.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Government grants

The company received government grants in respect of Covid support through the furlough scheme. These grants are recognised as other income over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

#### 1.15 Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result. Forward foreign currency purchases are initially recognised at fair value on the date they are entered into and are subsequently remeasured at their fair value. Changes in the fair value are recognised in the income statement with the corresponding entry being a derivative asset or liability in the balance sheet.

#### 1.16 Related party exemption

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

#### 1.17 Leasing commitments

Rentals under operating leases are charged on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 2 Judgements and key sources of estimation uncertainty

(Continued)

#### Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

#### Determining net realisable values of stocks and work in progress

In determining the valuation of stock a degree of judgement and estimation is applied to the calculation of finished goods and work in progress. An average of labour costs and consumables purchased per unit is applied to final stock units to value finished goods.

A further percentage is applied to work in progress stock, reasonably reflecting the products stage of completion at the year end cut-off.

### 3 Turnover and other revenue

	2021	2020
	£	£
<b>Other significant revenue</b>		
Interest income	340	11,829
Grants received	15,969	-
	<u>          </u>	<u>          </u>

### 4 Operating profit

	2021	2020
	£	£
Operating profit for the year is stated after charging/(crediting):		
Government grants	(15,969)	-
Fees payable to the company's auditor for the audit of the company's financial statements	12,750	11,950
Depreciation of owned tangible fixed assets	25,606	24,024
Amortisation of intangible assets	24,222	24,222
Operating lease charges	311,000	311,000
	<u>          </u>	<u>          </u>

### 5 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

2021	2020
Number	Number
35	35
<u>          </u>	<u>          </u>

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 5 Employees (Continued)

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	2,295,842	1,931,815
Social security costs	203,813	191,993
Pension costs	60,513	64,215
	<u>2,560,168</u>	<u>2,188,023</u>

### 6 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	<u>439,241</u>	<u>459,615</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 4 (2020 - 4).

Remuneration disclosed above include the following amounts paid to the highest paid director:

	2021 £	2020 £
Remuneration for qualifying services	184,454	177,541
Company pension contributions to defined contribution schemes	<u>1,313</u>	<u>1,307</u>

### 7 Interest receivable and similar income

	2021 £	2020 £
<b>Interest income</b>		
Interest on bank deposits	<u>340</u>	<u>11,829</u>

### 8 Interest payable and similar expenses

	2021 £	2020 £
Other interest	<u>21</u>	<u>-</u>

### 9 Taxation

	2021 £	2020 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	<u>67,769</u>	<u>60,425</u>

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 9 Taxation

(Continued)

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2021 £	2020 £
Profit before taxation	347,772	479,855
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	66,077	91,172
Tax effect of expenses that are not deductible in determining taxable profit	-	(1,880)
Depreciation on assets not qualifying for tax allowances	1,712	4,973
Research and development tax credit	-	(33,861)
Under/(over) provided in prior years	(20)	21
Taxation charge for the year	67,769	60,425

### 10 Intangible fixed assets

	Goodwill £
<b>Cost</b>	
At 1 April 2020 and 31 March 2021	242,219
<b>Amortisation and impairment</b>	
At 1 April 2020	133,221
Amortisation charged for the year	24,222
At 31 March 2021	157,443
<b>Carrying amount</b>	
At 31 March 2021	84,776
At 31 March 2020	108,998



# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 11 Tangible fixed assets

	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Mezzanine floor	Total
	£	£	£	£	£	£
<b>Cost</b>						
At 1 April 2020	74,381	19,773	79,747	92,100	22,060	288,061
Additions	4,500	1,500	9,559	18,200	-	33,759
At 31 March 2021	78,881	21,273	89,306	110,300	22,060	321,820
<b>Depreciation and impairment</b>						
At 1 April 2020	55,082	15,811	74,841	58,123	19,042	222,899
Depreciation charged in the year	5,950	1,366	4,561	12,974	755	25,606
At 31 March 2021	61,032	17,177	79,402	71,097	19,797	248,505
<b>Carrying amount</b>						
At 31 March 2021	17,849	4,096	9,904	39,203	2,263	73,315
At 31 March 2020	19,299	3,962	4,906	33,977	3,018	65,162

### 12 Stocks

	2021 £	2020 £
Raw materials and consumables	988,860	908,250
Work in progress	-	525,000
	988,860	1,433,250

### 13 Debtors

	2021 £	2020 £
<b>Amounts falling due within one year:</b>		
Trade debtors	4,139,869	1,909,996
Other debtors	-	24,698
Prepayments and accrued income	85,391	1,468,085
	4,225,260	3,402,779

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 14 Creditors: amounts falling due within one year

	2021 £	2020 £
Trade creditors	1,316,457	1,115,570
Amounts owed to group undertakings	7,462,533	1,462,533
Corporation tax	67,789	94,286
Other taxation and social security	1,135,970	415,150
Other creditors	93,914	1,595,650
Accruals and deferred income	12,940	12,940
	<u>10,089,603</u>	<u>4,696,129</u>

### 15 Retirement benefit schemes

	2021 £	2020 £
<b>Defined contribution schemes</b>		
Charge to profit or loss in respect of defined contribution schemes	<u>60,513</u>	<u>64,215</u>

A defined contribution pension scheme is operated for all qualifying employees. The assets of the scheme are held separately from those of the group in an independently administered fund.

The amount owed to the pension scheme at the year end was £5,971 (2020: £8,079).

### 16 Share capital

	2021 Number	2020 Number	2021 £	2020 £
<b>Ordinary share capital</b>				
<b>Issued and fully paid</b>				
Ordinary Shares of £1 each	<u>2</u>	<u>2</u>	<u>2</u>	<u>2</u>

Called up share capital represents the nominal value of shares that have been issued.

### 17 Profit and loss reserves

	2021 £	2020 £
At the beginning of the year	4,304,302	3,884,872
Profit for the year	<u>280,003</u>	<u>419,430</u>
At the end of the year	<u>4,584,305</u>	<u>4,304,302</u>

Includes all current and prior period retained profit and losses.

# INDUSTRIAL CONTROL DISTRIBUTORS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

### 18 Financial commitments, guarantees and contingent liabilities

On the 20th December 2013, the company entered into a debenture containing fixed charges, floating charges and negative pledges in favour of the parent company, Industrial Control Distributors (Holdings) Limited, in respect of the intercompany debts owed to it.

### 19 Operating lease commitments

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	237,333	270,667
Between two and five years	352,500	426,667
In over five years	-	82,500
	<u>589,833</u>	<u>779,834</u>

### 20 Related party transactions

#### Transactions with related parties

During the year the company entered into the following transactions with related parties:

	2021 £	2020 £
Sundry cost	9,000	5,005
Purchases	1,143,600	-
	<u>1,152,600</u>	<u>5,005</u>

The following amounts were outstanding at the reporting end date:

	2021 £	2020 £
<b>Amounts due from related parties</b>		
Other related parties	-	21,083
	<u>-</u>	<u>21,083</u>

### 21 Ultimate controlling party

The Parent Company of Industrial Control Distributors Limited is Industrial Control (Holdings) Limited.

The directors consider that the ultimate controlling party is Industrial Control (Holdings) Limited, which owns 100% of its issued ordinary share capital.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.