

**Report of the Directors and
Financial Statements for the Year Ended 31 December 2020
for
Wholesale Welding Supplies Limited**

**Contents of the Financial Statements
for the Year Ended 31 December 2020**

	Page
Company Information	1
Report of the Directors	2
Report of the Independent Auditors	4
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11

**Company Information
for the Year Ended 31 December 2020**

DIRECTORS:

L K Darton
Ms K Burkitt
P Rowlands
A N Dickinson
R J Moore
J L Burrage

REGISTERED OFFICE:

Peters House Orbital Centre
Icknield Way
Letchworth
Hertfordshire
SG6 1ET

REGISTERED NUMBER:

01684362 (England and Wales)

AUDITORS:

George Hay Partnership LLP
Chartered Accountants
and Statutory Auditor
Unit 1B
Focus 4
Fourth Avenue
Letchworth
Hertfordshire
SG6 2TU

**Report of the Directors
for the Year Ended 31 December 2020**

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2020 will be £ 500,000 .

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

L K Darton
Ms K Burkitt
P Rowlands
A N Dickinson

Other changes in directors holding office are as follows:

Mrs A N S Bond - resigned 30 September 2020

R J Moore and J L Burrage were appointed as directors after 31 December 2020 but prior to the date of this report.

G P G Hawkins and R J Case ceased to be directors after 31 December 2020 but prior to the date of this report.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Report of the Directors 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**Report of the Directors
for the Year Ended 31 December 2020**

AUDITORS

The auditors, George Hay Partnership LLP, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

J L Burrage - Director

29 September 2021

Report of the Independent Auditors to the Members of Wholesale Welding Supplies Limited

Opinion

We have audited the financial statements of Wholesale Welding Supplies Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, 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 Financial Reporting Standard 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 December 2020 and of its loss 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 Auditors' 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 directors' 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 financial statements are 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 in the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. 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.

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

Report of the Independent Auditors to the Members of Wholesale Welding Supplies Limited

Matters on which we are required to report by exception

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 Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page two, 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 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.

Report of the Independent Auditors to the Members of Wholesale Welding Supplies Limited

Auditors' 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 a Report of the Auditors 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:

The extent to which our audit 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 industry in which it operates by making enquiries of management. We also enquired as to whether there were any instances of non compliance with laws and regulations or whether there were any instances of fraud detected or suspected. The key laws and regulations considered include the UK Companies Act and UK Tax Legislation.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty. These included compliance with Health and Safety legislation.

We obtained an understanding of the Company's operations, including the nature of the company, its control environment, business performance and its key performance indicators.

We considered the extent to which non-compliance would have a material impact on the financial statements. We also evaluated the managements incentives and opportunities for fraudulent manipulation of the financial statements (including the management override of controls) and determined that the principal risks were related to:

- Management bias in accounting estimates;
- Revenue recognition; and
- Risk of mis-appropriation of assets

We assessed the susceptibility of the Company's financial statements to material misstatement. Audit procedures performed by the engagement team include:

- Enquiries of management about their own identification and assessment of risk of irregularities
- Evaluation of the processes and controls established to address the risk of irregularities and fraud
- Testing manual journals, specifically those relating to large or unusual entries or entries relating to management estimates
- Testing the assumptions and judgements made by management in its significant accounting estimates, including reviewing historical data to assess the appropriateness of previous assessments

We assessed the appropriateness of the competence and capabilities of the engagement team, including the teams knowledge of the industry and the appropriateness of their practical experience through training and participation with audit engagements of a similar nature.

We also communicated the relevant laws and regulations and fraud risk indicators to the engagement team and remained vigilant throughout the audit process for indications of fraud or non-compliance.

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.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

**Report of the Independent Auditors to the Members of
Wholesale Welding Supplies Limited**

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 a Report of the Auditors 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.

Richard Dilley FCA FCCA (Senior Statutory Auditor)
for and on behalf of George Hay Partnership LLP
Chartered Accountants
and Statutory Auditor
Unit 1B
Focus 4
Fourth Avenue
Letchworth
Hertfordshire
SG6 2TU

30 September 2021

**Statement of Comprehensive
Income
for the Year Ended 31 December 2020**

		Year Ended 31.12.20		Period 1.3.19 to 31.12.19	
	Notes	£	£	£	£
TURNOVER	4		5,895,261		7,149,257
Cost of sales			<u>3,614,556</u>		<u>4,041,210</u>
GROSS PROFIT			2,280,705		3,108,047
Distribution costs		395,765		471,407	
Administrative expenses		<u>2,340,115</u>		<u>1,464,075</u>	
			2,735,880		1,935,482
			(455,175)		1,172,565
Other operating income			<u>139,361</u>		<u>93,832</u>
OPERATING (LOSS)/PROFIT	6		(315,814)		1,266,397
Interest payable and similar expenses	7		<u>10,150</u>		<u>10,045</u>
(LOSS)/PROFIT BEFORE TAXATION			(325,964)		1,256,352
Tax on (loss)/profit	8		<u>(81,244)</u>		<u>255,004</u>
(LOSS)/PROFIT FOR THE FINANCIAL YEAR			(244,720)		1,001,348
OTHER COMPREHENSIVE INCOME			-		-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR			<u>(244,720)</u>		<u>1,001,348</u>

Balance Sheet
31 December 2020

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	10		163,080		100,455
Tangible assets	11		6,102,331		6,070,596
Investments	12		6		6
			<u>6,265,417</u>		<u>6,171,057</u>
CURRENT ASSETS					
Stocks	13	2,304,106		3,101,625	
Debtors	14	1,558,067		2,193,071	
Cash at bank and in hand		<u>684,213</u>		<u>543,601</u>	
		4,546,386		5,838,297	
CREDITORS					
Amounts falling due within one year	15	<u>927,789</u>		<u>1,393,659</u>	
NET CURRENT ASSETS			<u>3,618,597</u>		<u>4,444,638</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			9,884,014		10,615,695
CREDITORS					
Amounts falling due after more than one year	16		(297,992)		(298,863)
PROVISIONS FOR LIABILITIES	20		<u>(532,053)</u>		<u>(518,143)</u>
NET ASSETS			<u>9,053,969</u>		<u>9,798,689</u>
CAPITAL AND RESERVES					
Called up share capital	21		10,000		10,000
Revaluation reserve	22		2,408,134		2,408,134
Retained earnings	22		<u>6,635,835</u>		<u>7,380,555</u>
SHAREHOLDERS' FUNDS			<u>9,053,969</u>		<u>9,798,689</u>

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2021 and were signed on its behalf by:

J L Burrage - Director

**Statement of Changes in Equity
for the Year Ended 31 December 2020**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Total equity £
Balance at 1 March 2019	10,000	6,379,207	2,408,134	8,797,341
Changes in equity				
Total comprehensive income	-	1,001,348	-	1,001,348
Balance at 31 December 2019	10,000	7,380,555	2,408,134	9,798,689
Changes in equity				
Dividends	-	(500,000)	-	(500,000)
Total comprehensive income	-	(244,720)	-	(244,720)
Balance at 31 December 2020	10,000	6,635,835	2,408,134	9,053,969

**Notes to the Financial Statements
for the Year Ended 31 December 2020**

1. STATUTORY INFORMATION

Wholesale Welding Supplies 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

The financial statements have been prepared in accordance with applicable accounting standards including Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Financial Statements for the prior period were prepared for a period of 10 months due to a change in the period end date to coincide with the Parent Company reporting requirements. As a result the comparative information is not entirely comparable.

3. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £.

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

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirement of paragraph 3.17(d);
- the requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

Preparation of consolidated financial statements

The financial statements contain information about Wholesale Welding Supplies Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 400 of the Companies Act 2006 from the requirements to prepare consolidated financial statements as it and its subsidiary undertaking are included by full consolidation in the consolidated financial statements of its parent, Indutrade AB, Sweden.

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.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

3. ACCOUNTING POLICIES - continued

Significant judgements and estimates

Valuation of Properties

The long leasehold properties owned by the company have been included in the accounts at their Market Value as at 31 December 2020. The valuation has been undertaken internally by the directors using all available market information.

Covid-19

During the year the pandemic outbreak of Covid-19 has had a significant impact on both people and industry across the world. The directors have done and continue to monitor the situation and follow the applicable guidance issued by the UK Government. Due to the nature of the outbreak and the ongoing affect it is having around the world it is currently very difficult to predict the overall impact this situation will have on the company going forward. The Directors have exercised judgement in evaluating the impact of Covid-19 on these financial statements and have reviewed the assets for impairment as deemed necessary.

Turnover

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

Turnover from the sale of goods is recognised when significant risks and rewards of ownership of the goods have transferred to the buyer, the amount of turnover can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the company and the costs incurred or to be incurred in respect of the transaction can be measured reliably. This is usually on dispatch of the goods.

Goodwill

Goodwill has arisen from the hive-up of a subsidiary and it's related intangible assets. The directors consider that this goodwill is of a value greater than that shown on the balance sheet and therefore no amortisation is charged within these financial statements. An annual impairment review is undertaken and any loss in value will be recognised at that time.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Computer software is being amortised evenly over its estimated useful life of three years.

Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Plant and machinery etc. - 25% reducing balance and 10% on cost.

Long leasehold property was valued at the year end by the directors.

Long leasehold property is not being depreciated as it is the directors' opinion that the useful economic life and residual value would mean this charge is immaterial.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

3. ACCOUNTING POLICIES - continued

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at cost less any provision for impairment.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Financial instruments

Basic financial instruments are recognised at amortised cost with changes recognised in profit or loss.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

3. ACCOUNTING POLICIES - continued

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price, less any bad debts. Any losses arising from impairment are recognised in the profit and loss account in administrative expenses.

4. TURNOVER

The turnover and loss (2019 - profit) before taxation are attributable to the one principal activity of the company.

Sales attributable to geographical markets outside the UK accounted for 6.37% of turnover.

5. EMPLOYEES AND DIRECTORS

	Year Ended 31.12.20 £	Period 1.3.19 to 31.12.19 £
Wages and salaries	1,421,663	878,535
Social security costs	133,998	93,564
Other pension costs	29,502	19,499
	<u>1,585,163</u>	<u>991,598</u>

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

	Year Ended 31.12.20	Period 1.3.19 to 31.12.19
Management and Administration	21	23
Field Sales and Services	17	6
Warehouse	12	9
	<u>50</u>	<u>38</u>

	Year Ended 31.12.20 £	Period 1.3.19 to 31.12.19 £
Directors' remuneration	183,923	264,417
Directors' pension contributions to money purchase schemes	<u>5,138</u>	<u>7,537</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>4</u>	<u>4</u>
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Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

6. OPERATING (LOSS)/PROFIT

The operating loss (2019 - operating profit) is stated after charging/(crediting):

	Year Ended 31.12.20 £	Period 1.3.19 to 31.12.19 £
Hire of plant and machinery	-	1,298
Depreciation - owned assets	63,353	43,146
Computer software amortisation	8,565	3,704
Auditors remuneration	10,200	10,150
Foreign exchange differences	<u>(10,314)</u>	<u>(4,358)</u>

7. INTEREST PAYABLE AND SIMILAR EXPENSES

	Year Ended 31.12.20 £	Period 1.3.19 to 31.12.19 £
Mortgage	<u>10,150</u>	<u>10,045</u>

8. TAXATION

Analysis of the tax (credit)/charge

The tax (credit)/charge on the loss for the year was as follows:

	Year Ended 31.12.20 £	Period 1.3.19 to 31.12.19 £
Current tax:		
UK corporation tax	(60,779)	255,004
Deferred tax	<u>(20,465)</u>	-
Tax on (loss)/profit	<u>(81,244)</u>	<u>255,004</u>

UK corporation tax has been charged at 19% .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

8. TAXATION - continued

Reconciliation of total tax (credit)/charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	Year Ended 31.12.20 £	Period 1.3.19 to 31.12.19 £
(Loss)/profit before tax	<u>(325,964)</u>	<u>1,256,352</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(61,933)	238,707
Effects of:		
Expenses not deductible for tax purposes	402	555
Depreciation in excess of capital allowances	6,148	7,100
Leased car adjustments	520	384
General bad debt provision	(1,900)	1,900
Difference on estimated liability	(4,016)	6,358
Deferred Tax	<u>(20,465)</u>	<u>-</u>
Total tax (credit)/charge	<u>(81,244)</u>	<u>255,004</u>

During the year the main rate of corporation tax was 19%. The Chancellor of the Exchequer announced in the March 2021 budget that the main rate of corporation tax will be increased to 25% from 1 April 2023 which will affect the company's future tax position.

9. DIVIDENDS

	Year Ended 31.12.20 £	Period 1.3.19 to 31.12.19 £
Ordinary shares of £1 each		
Interim	<u>500,000</u>	<u>-</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

10. INTANGIBLE FIXED ASSETS

	Goodwill £	Computer software £	Totals £
COST			
At 1 January 2020	90,826	13,333	104,159
Additions	-	71,190	71,190
At 31 December 2020	90,826	84,523	175,349
AMORTISATION			
At 1 January 2020	-	3,704	3,704
Amortisation for year	-	8,565	8,565
At 31 December 2020	-	12,269	12,269
NET BOOK VALUE			
At 31 December 2020	90,826	72,254	163,080
At 31 December 2019	90,826	9,629	100,455

11. TANGIBLE FIXED ASSETS

	Long leasehold £	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
COST OR VALUATION					
At 1 January 2020	5,810,000	293,856	341,019	237,744	6,682,619
Additions	-	-	69,356	25,732	95,088
At 31 December 2020	5,810,000	293,856	410,375	263,476	6,777,707
DEPRECIATION					
At 1 January 2020	-	176,330	230,323	205,370	612,023
Charge for year	-	22,380	28,644	12,329	63,353
At 31 December 2020	-	198,710	258,967	217,699	675,376
NET BOOK VALUE					
At 31 December 2020	5,810,000	95,146	151,408	45,777	6,102,331
At 31 December 2019	5,810,000	117,526	110,696	32,374	6,070,596

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

11. **TANGIBLE FIXED ASSETS - continued**

Cost or valuation at 31 December 2020 is represented by:

	Long leasehold £	Improvements to property £	Plant and machinery £	Computer equipment £	Totals £
Valuation in 2007	104,573	-	-	-	104,573
Valuation in 2010	100,000	-	-	-	100,000
Valuation in 2011	952,110	-	-	-	952,110
Valuation in 2012	(452,110)	-	-	-	(452,110)
Valuation in 2013	191,011	-	-	-	191,011
Valuation in 2016	835,813	-	-	-	835,813
Valuation in 2018	1,089,043	-	-	-	1,089,043
Cost	<u>2,989,560</u>	<u>293,856</u>	<u>410,375</u>	<u>263,476</u>	<u>3,957,267</u>
	<u>5,810,000</u>	<u>293,856</u>	<u>410,375</u>	<u>263,476</u>	<u>6,777,707</u>

If long leasehold properties had not been revalued they would have been included at the following historical cost:

	2020 £	2019 £
Cost	<u>2,989,560</u>	<u>2,989,560</u>

Long leasehold properties were valued on an open market basis on 31 December 2020 by the directors of the company .

12. **FIXED ASSET INVESTMENTS**

	Shares in group undertakings £
COST	
At 1 January 2020	
and 31 December 2020	<u>90,832</u>
PROVISIONS	
At 1 January 2020	
and 31 December 2020	<u>90,826</u>
NET BOOK VALUE	
At 31 December 2020	<u>6</u>
At 31 December 2019	<u>6</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

12. **FIXED ASSET INVESTMENTS - continued**

The company's investments at the Balance Sheet date in the share capital of companies include the following:

Sifbronze Limited

Registered office: England

Nature of business: Dormant

Class of shares:	%
Ordinary	holding 100.00

13. **STOCKS**

	2020	2019
	£	£
Stocks	<u>2,304,106</u>	<u>3,101,625</u>

14. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Trade debtors	1,251,730	2,061,073
Other debtors	159,600	96,176
Sundry Debtors and Prepayments	39,880	35,822
Tax	106,857	-
	<u>1,558,067</u>	<u>2,193,071</u>

15. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020	2019
	£	£
Bank loans and overdrafts (see note 17)	1,677	-
Other loans (see note 17)	100,873	234,033
Trade creditors	86,877	234,905
Amounts owed to group undertakings	6	6
Tax	-	254,999
Social security and other taxes	413,288	391,942
Other creditors	325,068	277,774
	<u>927,789</u>	<u>1,393,659</u>

16. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020	2019
	£	£
Other loans (see note 17)	<u>297,992</u>	<u>298,863</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

17. **LOANS**

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year or on demand:		
Bank overdrafts	1,677	-
Other loans	<u>100,873</u>	<u>234,033</u>
	<u>102,550</u>	<u>234,033</u>
Amounts falling due between one and two years:		
Other loans - 1-2 years	<u>101,932</u>	<u>234,933</u>
Amounts falling due between two and five years:		
Other loans - 2-5 years	<u>196,060</u>	<u>63,930</u>

18. **LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020 £	2019 £
Within one year	62,145	53,525
Between one and five years	<u>45,488</u>	<u>35,478</u>
	<u>107,633</u>	<u>89,003</u>

19. **SECURED DEBTS**

The following secured debts are included within creditors:

	2020 £	2019 £
Bank overdraft	1,677	-
Other loans	<u>398,865</u>	<u>532,896</u>
	<u>400,542</u>	<u>532,896</u>

The overdraft and borrowings are secured by fixed and floating charges over the assets of the property. Specifically, borrowings are secured by charges over the properties to which they relate.

20. **PROVISIONS FOR LIABILITIES**

	2020 £	2019 £
Deferred tax	434,113	454,578
Other provisions	<u>97,940</u>	<u>63,565</u>
	<u>532,053</u>	<u>518,143</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2020

20. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £	Warranty £
Balance at 1 January 2020	454,578	63,565
Accelerated capital allowances		
Movement during year	(20,465)	34,375
Balance at 31 December 2020	<u>434,113</u>	<u>97,940</u>

The deferred tax liabilities relate to amounts payable in future periods based on the carrying amounts of assets in the financial statements and corresponding indexed cost used in the computation of taxable profits.

The expected net reversal of deferred tax liabilities in 2021 is minimal as the Company has no intention to dispose of the assets in the near future.

The product warranties, which in the great majority of cases includes component defects and functional errors are usually granted for a 36 month period from legal transfer of the product in relation to certain product lines which is part of the standard terms of sale.

21. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020 £	2019 £
Number:	Class:	£1	<u>10,000</u>	<u>10,000</u>
10,000	Ordinary			

22. RESERVES

	Retained earnings £	Revaluation reserve £	Totals £
At 1 January 2020	7,380,555	2,408,134	9,788,689
Deficit for the year	(244,720)		(244,720)
Dividends	(500,000)		(500,000)
At 31 December 2020	<u>6,635,835</u>	<u>2,408,134</u>	<u>9,043,969</u>

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

Revaluation reserve - represents the cumulate effect of revaluations of tangible fixed assets where a policy of revaluation has been adopted

Retained earnings - represents the cumulative profits and losses net of dividends and other adjustments

23. PENSION COMMITMENTS

The company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the funds and amounted to £29,502 (2019 - £19,499).

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2020**

24. ULTIMATE PARENT COMPANY

The company's parent undertaking is Indutrade UK Limited.

The company's ultimate parent undertaking is Indutrade AB a company incorporated in Sweden.

The company's results have been included in the consolidated financial statement of Indutrade AB copies of which can be obtained from the following website:-

<https://www.indutrade.com/investors--media/reports--presentations>

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