

**Industrial Automation and Control Limited**  
**Financial Statements**  
**31 March 2021**

TUESDAY



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14/12/2021

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COMPANIES HOUSE

**ELLIS LLOYD JONES AUDIT LIMITED**

Chartered accountants & statutory auditor

11 Park Square

Newport

South Wales

NP20 4EL

# **Industrial Automation and Control Limited**

## **Financial Statements**

**Year ended 31 March 2021**

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# **Industrial Automation and Control Limited**

## **Officers and Professional Advisers**

### **The board of directors**

P A Lewis  
P Ryan  
A R Dobbs  
P B Howell  
K A Lewis

### **Company secretary**

P J Kitson (resigned 2 July 2020)

### **Registered office**

Delta House  
Meadows Road  
Queensway Meadows Industrial Estate  
Newport  
South Wales  
UK  
NP19 4SS

### **Auditor**

Ellis Lloyd Jones Audit Limited  
Chartered accountants & statutory auditor  
11 Park Square  
Newport  
South Wales  
NP20 4EL

# **Industrial Automation and Control Limited**

## **Strategic Report**

**Year ended 31 March 2021**

The directors present their strategic report for the year ended 31 March 2020.

### **Principal activity**

The principal activity of the parent company, Industrial Automation and Control Limited (hereafter IAC), is design and manufacture of electrical and electronic control equipment. The principal activities of the subsidiaries can be found in note 15.

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

The group has seen a reduction in personnel over the year, however, as no apprentices were engaged in 2020, the parent company has taken on four this year.

There is little change in the ratio of direct staff to indirect. The overall average number of employees was 91 in 2021 compared to 96 in 2020. It is difficult to predict if employee numbers will reduce further in 2021/22, as a result of the ongoing impact of Covid -19 on the group.

The group policy is, and has always been, to maintain employees wherever possible, due to the technical expertise that is not easily replaceable. Tiprow Controls has brought in some work over the year, but they are still being supported by IAC. The levels of activity are increasing slowly and they will continue to be supported for the short term. Despite the pandemic, turnover in the group is up on the previous year and we are confident of profits in 2021/22.

The other key principle, and an indicator of performance, is customer retention. IAC very rarely lose customers, and this year, as in last, repeat business makes up the majority of the turnover, although there are also a healthy number of new customers.

The group made a profit after tax of £533,236 during the year (2020: £280,399). The net current assets at 31 March 2021 were £4,835,832 (2020: £4,169,789) and the total equity was £4,613,818 (2020: £4,331,832).

The group gross profit margin has decreased from 28.9% in 2020 to 27.1%. Once again, the size and time scale of many of the larger projects that IAC undertakes has a marked effect on the annual profitability, although the group does include estimates of income not yet invoiced but relating to work done during the year. This should help reduce the fluctuations between financial years, but work can only be carried out if the projects exist.

The net cash at bank held by the group at 31 March 2021 was £1.9m compared to £1m at the beginning of the year.

# **Industrial Automation and Control Limited**

## **Strategic Report *(continued)***

**Year ended 31 March 2021**

### **Principal risks and uncertainties**

The group aims to promote an awareness of risk within the group so that employees and management can ensure they minimise the exposure to risk and financial loss. They do this by communicating and sharing information in order to regularly review and monitor the business risks that are faced within the electrical manufacturing industry.

The group has continued to recover from a few years of losses and invested well in infrastructure projects in the building. However, the ongoing Covid restrictions have inhibited certain activities. Changes to the working system made to counter the pandemic restrictions will be continued. Efficiency has not been inhibited by home working and the reduction in numbers at the factory has reduced running costs.

Exit of the UK from the European Union has raised the levels of uncertainty and, until a further agreement is resolved, this will remain a risk. Home customers have increased this year, but, although the IAC group does not have a large percentage of European customers, the overall situation could well reduce demand in the UK. A reduction in automotive sales could affect the steel industry and a reduction in steel supplies will have an effect on the industry and, therefore, IAC group's turnover. The group relies primarily on business from the metal industry. At the moment, an increase in activity in the steel market has more than made up for a reduction in exports, but the new year is still uncertain.

IAC Electronic Manufacturing Services Limited has been restructured and is stable. Plans are in place to improve turnover, but the pandemic has inhibited these plans. Ongoing work is providing sufficient revenue to cover the slimmer operation and new customers are being sought.

Availability of cash and reduced cash balances are still potential risks for the group. The effects of delayed payment, caused by the Covid restrictions, and the effect on suppliers, could produce a cash issue later in the year. The government loan taken out will be repaid in 2021.

The group's cash resources are spread throughout the subsidiaries, but these are now improving, although still requiring support from the parent company. The directors feel that it is necessary to take a long-term view. They are very aware of the performance and position of the group, and connected companies, and are closely involved in their day-to-day running.

Commitment for working capital is necessary to give these companies the ability to grow. Once they are stronger, the benefits should flow back to the group.

The group has a good relationship with the bank. The cash flow forecasts are updated with actual figures daily and any fluctuations are noted and dealt with appropriately immediately.

Another risk faced by the business is the recovery of trade debts, which has not improved over this past year and customers sometimes push payments past their agreed terms. This is tightly monitored by the project managers, the directors and the accounts department. The risk is minimised by setting out clear payment terms on initiation of the contract, maintaining a good relationship with the customers and chasing payment as soon as it is due.

# Industrial Automation and Control Limited

## Strategic Report *(continued)*

Year ended 31 March 2021

This report was approved by the board of directors on 14 December 2021 and signed on behalf of the board by:

P.A. Lewis  
P.A. Lewis (Dec 14, 2021 16:15 GMT)

**P A Lewis**  
**Director**

K. Lewis  
K. Lewis (Dec 14, 2021 17:52 GMT)

**K A Lewis**  
**Director**

Registered office:  
Delta House  
Meadows Road  
Queensway Meadows Industrial Estate  
Newport  
South Wales  
UK  
NP19 4SS

# **Industrial Automation and Control Limited**

## **Directors' Report**

**Year ended 31 March 2021**

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

### **Directors**

The directors who served the company during the year were as follows:

P A Lewis  
P Ryan  
A R Dobbs  
P B Howell  
K A Lewis  
P J Kitson (Retired 23 July 2020)

### **Dividends**

The directors do not recommend the payment of a dividend.

### **Future developments**

With the effects of Covid and Brexit still ongoing, the major issues for the group, in the near future, still surround the group's ability to acquire sufficient business for the current workforce. For the past 10 years, the group has followed a growth strategy built on its apprentice scheme. The prospects for the future are encouraging and the group will continue the apprentice programme.

The major objective for the new financial year will be to continue the improvement in sales and improve profitability. A sales campaign and co-operative ventures have seen a small increase in enquiries for bulk materials handling equipment, and the directors are very confident that this will improve in 2022.

IAC will continuously work on its standing in the community and will continue to support the local University and the City Council.

The directors would still like to consolidate operations in South Africa and expand the engineering capability. However, the local political situation still needs to improve drastically. The shortage of local engineering talent may also restrict this aim.

The main drive will, however, still be within the core business unit in Newport. Although, historically, around 50% of group turnover has been attributable to overseas markets, this has reduced greatly in 2020/21. That said, there still remains a great deal of opportunity in the UK. The IAC sales team will be concentrating on UK business and trying to expand existing markets and enter appropriate new ones, whilst not ignoring export markets.

In overall terms, the expansion of the business has seen a change in the structure of the operation, to include a second tier of management in several of the engineering departments. This departure from the flat organisation is entirely due to the expansion in the overall workforce and will continue in the new period. The directors are determined to increase the skill set of the workforce, and expand the number of employees, with the addition of both fully trained and graduate engineers. Any additional direct workers will reduce the overall hourly overhead rate and thereby make the group more competitive.

The coming financial year will be another key point in the development of the group and will see IAC enhance its reputation and its portfolio in the locality, and further afield.

# Industrial Automation and Control Limited

## Directors' Report *(continued)*

Year ended 31 March 2021

### Financial Instruments

#### Price risk, credit risk, liquidity risk and cash flow risk

The electrical manufacturing industry is competitive, so price risk is a key factor that the board of directors focus on. They aim to minimise this risk by utilising the skills within the group so that that they can remain competitive and have access to resources within their supply chain within a relatively short timeframe.

Credit risk is managed by the directors, accounts department and project managers. They ensure that customers are aware of payment terms and aim to set these at a level that is reasonable, from the customer's point of view, and allows cash flow to remain stable. They also undertake credit checks on new customers to determine whether there is a credit risk involved with a potential project.

Cash flow and liquidity is a key factor to the business as the group has commitments with regards to its employees and suppliers. They aim to keep good relationships with their suppliers and also keep in regular contact with their bank representative so that if there are any cash flow issues, they can tackle them beforehand. The management team regularly maintain a cash flow forecast in order to monitor the group's net asset position.

### Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the group and the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the group and the company's auditor is aware of that information.

The auditor is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 14 December 2021 and signed on behalf of the board by:

P.A. Lewis

P.A. Lewis (Dec 14, 2021 16:15 GMT)

**P A Lewis**  
**Director**

K. Lewis

K. Lewis (Dec 14, 2021 17:52 GMT)

**K A Lewis**  
**Director**

Registered office:  
Delta House  
Meadows Road  
Queensway Meadows Industrial Estate  
Newport  
South Wales  
UK  
NP19 4SS



# **Industrial Automation and Control Limited**

## **Directors' Responsibilities Statement**

**Year ended 31 March 2021**

The directors are responsible for preparing the strategic report, directors' 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 group and the company and the profit or loss of the group for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# **Industrial Automation and Control Limited**

## **Independent Auditor's Report to the Members of Industrial Automation and Control Limited**

**Year ended 31 March 2021**

### **Opinion**

We have audited the financial statements of Industrial Automation and Control Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise the consolidated income statement, consolidated statement of financial position, company statement of financial position, consolidated statement of changes in equity, company statement of changes in equity, consolidated statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 March 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group 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 group's or the parent 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.

# **Industrial Automation and Control Limited**

## **Independent Auditor's Report to the Members of Industrial Automation and Control Limited (*continued*)**

**Year ended 31 March 2021**

### **Other information**

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

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

We have nothing to report in this regard.

### **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 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**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

# **Industrial Automation and Control Limited**

## **Independent Auditor's Report to the Members of Industrial Automation and Control Limited *(continued)***

**Year ended 31 March 2021**

### **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 group's and the parent 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 group or the parent company or to cease operations, or have no realistic alternative but to do so.

# **Industrial Automation and Control Limited**

## **Independent Auditor's Report to the Members of Industrial Automation and Control Limited *(continued)***

**Year ended 31 March 2021**

### **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 gained an understanding of the legal and regulatory framework applicable to the company, and the industry in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on laws and regulations which could give rise to a material misstatement in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. As in all our audits, we evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls) and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and misappropriation of assets. Audit procedures performed included:

- Discussions with management, including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Identifying and reviewing journal entries to ensure that we understood the reasoning behind them and agreeing that they were appropriate;
- Evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias;
- Designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing; and
- Agreeing the financial statement disclosures to underlying supporting documentation.

There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud.

# **Industrial Automation and Control Limited**

## **Independent Auditor's Report to the Members of Industrial Automation and Control Limited *(continued)***

**Year ended 31 March 2021**

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's or the parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

# **Industrial Automation and Control Limited**

## **Independent Auditor's Report to the Members of Industrial Automation and Control Limited *(continued)***

**Year ended 31 March 2021**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

*Kara Williams*

Kara Williams (Dec 14, 2021 20:31 GMT)

**Kara Williams BSc BFP FCA (Senior Statutory Auditor)**

For and on behalf of  
Ellis Lloyd Jones Audit Limited  
Chartered accountants & statutory auditor

11 Park Square  
Newport  
South Wales  
NP20 4EL

14 December 2021

# Industrial Automation and Control Limited

## Consolidated Income Statement

Year ended 31 March 2021

	Note	2021 £	2020 £
<b>Turnover</b>	<b>4</b>	<b>7,583,557</b>	8,264,992
Cost of sales		<u>5,529,186</u>	<u>5,873,483</u>
<b>Gross profit</b>		<b>2,054,371</b>	2,391,509
Distribution costs		<b>293,098</b>	294,360
Administrative expenses		<b>1,563,004</b>	1,824,045
Other operating income	<b>5</b>	<u><b>450,440</b></u>	<u>149,384</u>
<b>Operating profit</b>	<b>6</b>	<b>648,709</b>	422,488
Other interest receivable and similar income	<b>10</b>	<b>1,287</b>	2,997
Interest payable and similar expenses	<b>11</b>	<u><b>4,050</b></u>	<u>805</u>
<b>Profit before taxation</b>		<b>645,946</b>	424,680
Tax on profit	<b>12</b>	<u><b>112,710</b></u>	<u>144,281</u>
<b>Profit for the financial year</b>		<u><b>533,236</b></u>	<u>280,399</u>

All the activities of the group are from continuing operations.

The group has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 20 to 35 form part of these financial statements.



# Industrial Automation and Control Limited

## Consolidated Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	7,919	2
Tangible assets	14	157,551	186,352
		<b>165,470</b>	186,354
<b>Current assets</b>			
Stocks	16	69,260	107,897
Debtors	17	3,495,859	4,126,415
Cash at bank and in hand		1,919,423	1,046,986
		<b>5,484,542</b>	5,281,298
<b>Creditors: amounts falling due within one year</b>	18	<b>648,710</b>	1,111,509
<b>Net current assets</b>		<b>4,835,832</b>	4,169,789
<b>Total assets less current liabilities</b>		<b>5,001,302</b>	4,356,143
<b>Creditors: amounts falling due after more than one year</b>	19	<b>366,667</b>	–
<b>Provisions</b>			
Taxation including deferred tax	20	20,817	24,311
<b>Net assets</b>		<b>4,613,818</b>	4,331,832
<b>Capital and reserves</b>			
Called up share capital	24	80	100
Capital redemption reserve	25	20	–
Profit and loss account	25	4,613,718	4,331,732
<b>Shareholders' funds</b>		<b>4,613,818</b>	4,331,832

These financial statements were approved by the board of directors and authorised for issue on 14 December 2021, and are signed on behalf of the board by:

P.A. Lewis  
P.A. Lewis (Dec 14, 2021 16:15 GMT)

**P A Lewis**  
**Director**

K. Lewis  
K. Lewis (Dec 14, 2021 17:52 GMT)

**K A Lewis**  
**Director**

Company registration number: 01622878

The notes on pages 20 to 35 form part of these financial statements.

# Industrial Automation and Control Limited

## Company Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	13	7,917	-
Tangible assets	14	145,081	167,799
Investments	15	191	190
		<u>153,189</u>	<u>167,989</u>
<b>Current assets</b>			
Stocks	16	45,239	40,640
Debtors	17	4,383,544	4,939,624
Cash at bank and in hand		1,877,605	1,006,396
		<u>6,306,388</u>	<u>5,986,660</u>
<b>Creditors: amounts falling due within one year</b>	18	605,449	1,043,701
<b>Net current assets</b>		<u>5,700,939</u>	<u>4,942,959</u>
<b>Total assets less current liabilities</b>		<u>5,854,128</u>	<u>5,110,948</u>
<b>Creditors: amounts falling due after more than one year</b>	19	366,667	-
<b>Provisions</b>			
Taxation including deferred tax	20	20,817	24,311
<b>Net assets</b>		<u>5,466,644</u>	<u>5,086,637</u>
<b>Capital and reserves</b>			
Called up share capital	24	80	100
Capital redemption reserve	25	20	-
Profit and loss account	25	5,466,544	5,086,537
<b>Shareholders' funds</b>		<u>5,466,644</u>	<u>5,086,637</u>

The profit for the financial year of the parent company was £631,257 (2020: £576,436).

These financial statements were approved by the board of directors and authorised for issue on 14 December 2021, and are signed on behalf of the board by:

P.A. Lewis  
P.A. Lewis (Dec 14, 2021 16:15 GMT)

**P A Lewis**  
Director

K. Lewis  
K. Lewis (Dec 14, 2021 17:52 GMT)

**K A Lewis**  
Director

Company registration number: 01622878

The notes on pages 20 to 35 form part of these financial statements.

# Industrial Automation and Control Limited

## Consolidated Statement of Changes in Equity

Year ended 31 March 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	<b>Total £</b>
<b>At 1 April 2019</b>	100	–	4,051,333	<b>4,051,433</b>
Profit for the year	—	—	280,399	<b>280,399</b>
<b>Total comprehensive income for the year</b>	–	–	280,399	<b>280,399</b>
<b>At 31 March 2020</b>	100	–	4,331,732	<b>4,331,832</b>
Profit for the year	—	—	533,236	<b>533,236</b>
<b>Total comprehensive income for the year</b>	–	–	533,236	<b>533,236</b>
Cancellation of subscribed capital	(20)	20	(251,250)	<b>(251,250)</b>
<b>Total investments by and distributions to owners</b>	(20)	20	(251,250)	<b>(251,250)</b>
<b>At 31 March 2021</b>	<u>80</u>	<u>20</u>	<u>4,613,718</u>	<b><u>4,613,818</u></b>

The notes on pages 20 to 35 form part of these financial statements.

# Industrial Automation and Control Limited

## Company Statement of Changes in Equity

Year ended 31 March 2021

	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total £
<b>At 1 April 2019</b>	100	–	4,510,101	4,510,201
Profit for the year	—	—	576,436	576,436
<b>Total comprehensive income for the year</b>	–	–	576,436	576,436
<b>At 31 March 2020</b>	100	–	5,086,537	<b>5,086,637</b>
Profit for the year	—	—	631,257	<b>631,257</b>
<b>Total comprehensive income for the year</b>	–	–	631,257	<b>631,257</b>
Cancellation of subscribed capital	(20)	20	(251,250)	<b>(251,250)</b>
<b>Total investments by and distributions to owners</b>	(20)	20	(251,250)	<b>(251,250)</b>
<b>At 31 March 2021</b>	<u>80</u>	<u>20</u>	<u>5,466,544</u>	<u><b>5,466,644</b></u>

The notes on pages 20 to 35 form part of these financial statements.

# Industrial Automation and Control Limited

## Consolidated Statement of Cash Flows

Year ended 31 March 2021

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	533,236	280,399
<i>Adjustments for:</i>		
Depreciation of tangible assets	64,722	89,759
Amortisation of intangible assets	2,083	–
Government grant income	(305,781)	–
Other interest receivable and similar income	(1,287)	(2,997)
Interest payable and similar expenses	4,050	805
Tax on profit	112,710	144,281
Accrued (income)/expenses	(311,100)	336,216
<i>Changes in:</i>		
Stocks	38,637	(23,238)
Trade and other debtors	630,556	(427,834)
Trade and other creditors	(301,236)	(715,089)
Cash generated from operations	466,590	(317,698)
Interest paid	(4,050)	(805)
Interest received	1,287	2,997
Tax received	–	191,999
Net cash from/(used in) operating activities	463,827	(123,507)
<b>Cash flows from investing activities</b>		
Purchase of tangible assets	(35,921)	(38,463)
Purchase of intangible assets	(10,000)	–
Net cash used in investing activities	(45,921)	(38,463)
<b>Cash flows from financing activities</b>		
Purchase of own shares	(251,250)	–
Proceeds from borrowings	400,000	–
Government grant income	305,781	–
Payments of finance lease liabilities	–	(2,031)
Net cash from/(used in) financing activities	454,531	(2,031)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>872,437</b>	<b>(164,001)</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>1,046,986</b>	<b>1,210,987</b>
<b>Cash and cash equivalents at end of year</b>	<b>1,919,423</b>	<b>1,046,986</b>

The notes on pages 20 to 35 form part of these financial statements.

# **Industrial Automation and Control Limited**

## **Notes to the Financial Statements**

**Year ended 31 March 2021**

### **1. General information**

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Delta House, Meadows Road, Queensway Meadows Industrial Estate, Newport, South Wales, NP19 4SS, UK.

### **2. Statement of compliance**

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

### **3. Accounting policies**

#### **Basis of preparation**

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

#### **Disclosure exemptions**

The parent company satisfies the criteria of being a qualifying entity as defined in FRS 102. As such, advantage has been taken of the following reduced disclosures available under FRS 102:

- (a) Disclosures in respect of each class of share capital have not been presented.
- (b) No cash flow statement has been presented for the company.
- (c) Disclosures in respect of financial instruments have not been presented.
- (d) No disclosure has been given for the aggregate remuneration of key management personnel.

#### **Consolidation**

The consolidated financial statements incorporate the financial statements of the company and all group undertakings. These are adjusted, where appropriate, to conform to group accounting policies. Acquisitions are accounted for under the acquisition method and goodwill on consolidation is capitalised and written off over twenty years from the year of acquisition. The results of companies acquired or disposed of are included in the profit and loss account after or up to the date that control passes respectively.

As a consolidated profit and loss account is published, a separate profit and loss account for the parent company is omitted from the group financial statements by virtue of section 408 of the Companies Act 2006.

# **Industrial Automation and Control Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2021**

### **3. Accounting policies *(continued)***

#### **Revenue recognition**

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

The group recognises revenue when:

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

#### **Income tax**

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other 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. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

#### **Foreign currencies**

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

#### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

# **Industrial Automation and Control Limited**

## **Notes to the Financial Statements (continued)**

**Year ended 31 March 2021**

### **3. Accounting policies (continued)**

#### **Intangible assets**

Intangible assets are initially recorded at cost, and are subsequently stated at cost less any accumulated amortisation and impairment losses. Any intangible assets carried at revalued amounts, are recorded at the fair value at the date of revaluation, as determined by reference to an active market, less any subsequent accumulated amortisation and subsequent accumulated impairment losses.

Intangible assets acquired as part of a business combination are only recognised separately from goodwill when they arise from contractual or other legal rights, are separable, the expected future economic benefits are probable and the cost or value can be measured reliably.

#### **Amortisation**

Amortisation is calculated so as to write off the cost of an asset, less its estimated residual value, over the useful life of that asset as follows:

Goodwill	-	Over the useful economic life
Intellectual Property	-	50% straight line

If there is an indication that there has been a significant change in amortisation rate, useful life or residual value of an intangible asset, the amortisation is revised prospectively to reflect the new estimates.

#### **Tangible assets**

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

#### **Depreciation**

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant and machinery	-	20% straight line
Fixtures and fittings	-	15% straight line
Motor vehicles	-	20% straight line
Equipment	-	33% straight line



# **Industrial Automation and Control Limited**

## **Notes to the Financial Statements *(continued)***

**Year ended 31 March 2021**

### **3. Accounting policies *(continued)***

#### **Investments**

Investments in equity shares which are publicly traded or where the fair value can be measured reliably are initially measured at fair value, with changes in fair value recognised in profit or loss. Investments in equity shares which are not publicly traded and where fair value cannot be measured reliably are measured at cost less impairment.

Interest income on debt securities, where applicable, is recognised in income using the effective interest method. Dividends on equity securities are recognised in income when receivable.

#### **Impairment of fixed assets**

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

#### **Stocks**

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

#### **Government grants**

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received.

Government grants are recognised using the accrual model and the performance model.

Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset. Where part of a grant relating to an asset is deferred, it is recognised as deferred income and not deducted from the carrying amount of the asset.

# Industrial Automation and Control Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 3. Accounting policies *(continued)*

#### Government grants *(continued)*

Under the performance model, where the grant does not impose specified future performance-related conditions on the recipient, it is recognised in income when the grant proceeds are received or receivable. Where the grant does impose specified future performance-related conditions on the recipient, it is recognised in income only when the performance-related conditions have been met. Where grants received are prior to satisfying the revenue recognition criteria, they are recognised as a liability.

#### Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

#### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

### 4. Turnover

Turnover arises from:

	2021	2020
	£	£
Sale of goods	<u>7,583,557</u>	<u>8,264,992</u>

# Industrial Automation and Control Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 4. Turnover *(continued)*

The turnover is derived from classes of businesses and geographical markets that substantially differ from each other. An analysis of each is given below:

#### Geographical markets

	2021 £	2020 £
United Kingdom	7,416,136	5,474,069
Overseas sales	167,421	2,790,923
	<u>7,583,557</u>	<u>8,264,992</u>

#### Business classes

	2021 £	2020 £
Sale of electrical control systems	7,357,070	7,905,292
Sale of contract PCBs	189,501	282,231
Catering services	36,986	77,469
	<u>7,583,557</u>	<u>8,264,992</u>

### 5. Other operating income

	2021 £	2020 £
Government grant income	305,781	–
Other operating income	144,659	149,384
	<u>450,440</u>	<u>149,384</u>

### 6. Operating profit

Operating profit or loss is stated after charging/crediting:

	2021 £	2020 £
Amortisation of intangible assets	2,083	–
Depreciation of tangible assets	64,722	89,759
Impairment of trade debtors	(15,010)	1,700
Operating lease rentals	2,120	21,081
Foreign exchange differences	<u>(1,904)</u>	<u>59,274</u>

### 7. Auditor's remuneration

	2021 £	2020 £
Fees payable for the audit of the financial statements	<u>11,175</u>	<u>12,367</u>

# Industrial Automation and Control Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2021

### 8. Staff costs

The average number of persons employed by the group during the year, including the directors, amounted to:

	2021 No.	2020 No.
Production staff	79	84
Administrative staff	12	12
	<u>91</u>	<u>96</u>

The aggregate payroll costs incurred during the year, relating to the above, were:

	2021 £	2020 £
Wages and salaries	2,636,322	2,988,545
Social security costs	218,199	252,065
Other pension costs	107,441	118,983
	<u>2,961,962</u>	<u>3,359,593</u>

### 9. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	2021 £	2020 £
Remuneration	335,924	415,702
Company contributions to defined contribution pension plans	27,919	38,555
	<u>363,843</u>	<u>454,257</u>

The number of directors who accrued benefits under company pension plans was as follows:

	2021 No.	2020 No.
Defined contribution plans	<u>5</u>	<u>6</u>

Remuneration of the highest paid director in respect of qualifying services:

	2021 £	2020 £
Aggregate remuneration	77,542	75,616
Company contributions to defined contribution pension plans	12,579	15,844
	<u>90,121</u>	<u>91,460</u>

### 10. Other interest receivable and similar income

	2021 £	2020 £
Interest on cash and cash equivalents	<u>1,287</u>	<u>2,997</u>

# Industrial Automation and Control Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 11. Interest payable and similar expenses

	2021	2020
	£	£
Interest on banks loans and overdrafts	3,967	805
Other interest payable and similar charges	83	—
	<u>4,050</u>	<u>805</u>

### 12. Tax on profit

#### Major components of tax expense

	2021	2020
	£	£
<b>Current tax:</b>		
UK current tax expense	116,203	125,528
<b>Deferred tax:</b>		
Origination and reversal of timing differences	(3,493)	18,753
<b>Tax on profit</b>	<u>112,710</u>	<u>144,281</u>

#### Reconciliation of tax expense

The tax assessed on the profit on ordinary activities for the year is lower than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%).

	2021	2020
	£	£
Profit on ordinary activities before taxation	645,946	424,680
Profit on ordinary activities by rate of tax	122,730	80,689
Effect of expenses not deductible for tax purposes	3,363	16,667
Effect of capital allowances and depreciation	230	25,842
Utilisation of tax losses	(55,347)	(38,534)
Unused tax losses	41,734	59,617
<b>Tax on profit</b>	<u>112,710</u>	<u>144,281</u>

# Industrial Automation and Control Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 13. Intangible assets

<b>Group</b>	<b>Goodwill £</b>	<b>Development costs £</b>	<b>Intellectual property £</b>	<b>Total £</b>
<b>Cost</b>				
At 1 April 2020	796,034	1	–	<b>796,035</b>
Additions	–	–	10,000	<b>10,000</b>
<b>At 31 March 2021</b>	<b>796,034</b>	<b>1</b>	<b>10,000</b>	<b>806,035</b>
<b>Amortisation</b>				
At 1 April 2020	796,033	–	–	<b>796,033</b>
Charge for the year	–	–	2,083	<b>2,083</b>
<b>At 31 March 2021</b>	<b>796,033</b>	<b>–</b>	<b>2,083</b>	<b>798,116</b>
<b>Carrying amount</b>				
<b>At 31 March 2021</b>	<b>1</b>	<b>1</b>	<b>7,917</b>	<b>7,919</b>
At 31 March 2020	1	1	–	2
<b>Company</b>			<b>Intellectual property £</b>	
<b>Cost</b>				
At 1 April 2020			–	
Additions			10,000	
<b>At 31 March 2021</b>			<b>10,000</b>	
<b>Amortisation</b>				
At 1 April 2020			–	
Charge for the year			2,083	
<b>At 31 March 2021</b>			<b>2,083</b>	
<b>Carrying amount</b>				
<b>At 31 March 2021</b>			<b>7,917</b>	
At 31 March 2020			–	

# Industrial Automation and Control Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2021

### 14. Tangible assets

Group	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>					
At 1 April 2020	217,953	302,500	105,378	616,292	<b>1,242,123</b>
Additions	–	108	–	35,813	<b>35,921</b>
<b>At 31 March 2021</b>	<b>217,953</b>	<b>302,608</b>	<b>105,378</b>	<b>652,105</b>	<b>1,278,044</b>
<b>Depreciation</b>					
At 1 April 2020	198,422	237,793	80,052	539,504	<b>1,055,771</b>
Charge for the year	4,242	15,922	3,736	40,822	<b>64,722</b>
<b>At 31 March 2021</b>	<b>202,664</b>	<b>253,715</b>	<b>83,788</b>	<b>580,326</b>	<b>1,120,493</b>
<b>Carrying amount</b>					
<b>At 31 March 2021</b>	<b>15,289</b>	<b>48,893</b>	<b>21,590</b>	<b>71,779</b>	<b>157,551</b>
At 31 March 2020	19,531	64,707	25,326	76,788	186,352
<b>Company</b>					
	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
<b>Cost</b>					
At 1 April 2020	115,903	302,500	96,099	594,081	<b>1,108,583</b>
Additions	–	108	–	35,813	<b>35,921</b>
<b>At 31 March 2021</b>	<b>115,903</b>	<b>302,608</b>	<b>96,099</b>	<b>629,894</b>	<b>1,144,504</b>
<b>Depreciation</b>					
At 1 April 2020	102,783	237,793	74,993	525,215	<b>940,784</b>
Charge for the year	1,377	15,922	2,300	39,040	<b>58,639</b>
<b>At 31 March 2021</b>	<b>104,160</b>	<b>253,715</b>	<b>77,293</b>	<b>564,255</b>	<b>999,423</b>
<b>Carrying amount</b>					
<b>At 31 March 2021</b>	<b>11,743</b>	<b>48,893</b>	<b>18,806</b>	<b>65,639</b>	<b>145,081</b>
At 31 March 2020	13,120	64,707	21,106	68,866	167,799

### 15. Investments

The group has no investments.

# Industrial Automation and Control Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 15. Investments *(continued)*

Company	Shares in group undertakings £
<b>Cost</b>	
At 1 April 2020	190
Additions	1
<b>At 31 March 2021</b>	<b>191</b>
<b>Impairment</b>	
At 1 April 2020 and 31 March 2021	—
<b>Carrying amount</b>	
<b>At 31 March 2021</b>	<b>191</b>
At 31 March 2020	190

### Subsidiaries, associates and other investments

Details of the investments in which the parent company has an interest of 20% or more are as follows:

	Registered office	Class of share	Percentage of shares held
<b>Subsidiary undertakings</b>			
Industrial Automation and control (SA) (Pty) Limited	48 Apex Road West Apex ext 3 Benoni Gauteng South Africa	Ordinary	100
IAC Electronic Manufacturing Services Limited	Delta House, Meadows Road Queensway Meadows Industrial Estate Newport NP19 4SS	Ordinary	100
Green Apple Catering Limited	Delta House, Meadows Road Queensway Meadows Industrial Estate Newport NP19 4SS	Ordinary	100
IAC Special Purpose Machinery and Engineering Company Limited	Delta House, Meadows Road Queensway Meadows Industrial Estate Newport NP19 4SS	Ordinary	100



# Industrial Automation and Control Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 15. Investments *(continued)*

The principal activity of Industrial Automation and Control (SA) (Pty) Limited is that of a holding company.

The principal activity of IAC Electronic Manufacturing Services Limited is the provision of electronic manufacturing services including design for manufacture, procurement, manufacturing, logistics and repairs/upgrades.

The principal activity of Green Apple Catering Limited is provision of catering services.

The principal activity of IAC Special Purpose Machinery and Engineering Company Limited is manufacturing electricity distribution and control apparatus.

The above subsidiaries are included in the consolidated accounts. No subsidiary has been excluded.

For the year ending 31 March 2021 the following subsidiaries were entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies:

- IAC Electronic Manufacturing Services Limited - company number 07162467; and
- Green Apple Catering Limited - company number 07419368.

### 16. Stocks

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Raw materials and consumables	<b><u>69,260</u></b>	<u>107,897</u>	<b><u>45,239</u></b>	<u>40,640</u>

### 17. Debtors

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Trade debtors	<b>2,133,975</b>	2,920,090	<b>2,069,108</b>	2,872,613
Prepayments and accrued income	<b>37,827</b>	34,181	<b>33,396</b>	28,574
Corporation tax repayable	<b>46,607</b>	46,607	<b>46,607</b>	46,607
Amounts recoverable on contracts	<b>1,160,846</b>	802,629	<b>1,160,846</b>	802,629
Other debtors	<b><u>116,604</u></b>	<u>322,908</u>	<b><u>1,073,587</u></b>	<u>1,189,201</u>
	<b><u>3,495,859</u></b>	<u>4,126,415</u>	<b><u>4,383,544</u></b>	<u>4,939,624</u>

# Industrial Automation and Control Limited

## Notes to the Financial Statements (continued)

Year ended 31 March 2021

### 18. Creditors: amounts falling due within one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	33,333	–	33,333	–
Payments received on account	187,243	207,034	187,243	190,237
Trade creditors	153,531	349,563	131,253	313,326
Accruals and deferred income	144,028	455,128	136,720	447,006
Social security and other taxes	121,661	94,588	112,397	92,906
Director loan accounts	4,250	4,250	–	–
Other creditors	4,664	946	4,503	226
	<u>648,710</u>	<u>1,111,509</u>	<u>605,449</u>	<u>1,043,701</u>

### 19. Creditors: amounts falling due after more than one year

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Bank loans and overdrafts	<u>366,667</u>	<u>–</u>	<u>366,667</u>	<u>–</u>

Included within bank loans and overdrafts due within one year and bank loans and overdrafts due after more than one year is £33,333 and £366,667, respectively, relating to a CBILS loan. The original capital loaned was £400,000 and it is repayable over 72 months after the drawdown date of 29th October 2020. The interest rate is fixed at 2.38% over base rate.

£46,666 of the above CBILS loan, included in bank loans and overdrafts due after more than one year, is repayable by instalments which fall due for payment after more than five years from the reporting period.

### 20. Provisions

Group and company	Deferred tax (note 21)
	£
At 1 April 2020	24,311
Charge against provision	(3,494)
<b>At 31 March 2021</b>	<b><u>20,817</u></b>

# Industrial Automation and Control Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 21. Deferred tax

The deferred tax included in the statement of financial position is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Included in provisions (note 20)	<b><u>20,817</u></b>	<u>24,311</u>	<b><u>20,817</u></b>	<u>24,311</u>

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Accelerated capital allowances	<b><u>20,817</u></b>	<u>24,311</u>	<b><u>20,817</u></b>	<u>24,311</u>

### 22. Employee benefits

#### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £107,441 (2020: £118,983).

### 23. Government grants

The amounts recognised in the financial statements for government grants are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	2020	<b>2021</b>	2020
	<b>£</b>	£	<b>£</b>	£
Recognised in other operating income:				
Government grants recognised directly in income	<b><u>305,781</u></b>	<u>—</u>	<b><u>254,181</u></b>	<u>—</u>

### 24. Called up share capital

#### Issued, called up and fully paid

	<b>2021</b>		<b>2020</b>	
	<b>No.</b>	<b>£</b>	<b>No.</b>	<b>£</b>
Ordinary shares of £1 each	<b><u>80</u></b>	<u>80</u>	<u>100</u>	<u>100</u>

# Industrial Automation and Control Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 25. Reserves

The Group and Company's reserves are as follows:

The capital redemption reserve contains the nominal value of own shares that have been acquired by the company and cancelled.

Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

### 26. Analysis of changes in net debt

	At 1 Apr 2020	Cash flows	At 31 Mar 2021
	£	£	£
Cash at bank and in hand	1,046,986	872,437	<b>1,919,423</b>
Debt due within one year	(4,250)	(33,333)	<b>(37,583)</b>
Debt due after one year	–	(366,667)	<b>(366,667)</b>
	<u>1,042,736</u>	<u>472,437</u>	<u><b>1,515,173</b></u>

### 27. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	Group		Company	
	2021	2020	2021	2020
	£	£	£	£
Not later than 1 year	<u>30,656</u>	<u>–</u>	<u>30,656</u>	<u>–</u>

### 28. Related party transactions

#### Group

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

	Transaction value		Balance owed by/(owed to)	
	2021	2020	2021	2020
	£	£	£	£
Other related parties	<u>348,000</u>	<u>(95,816)</u>	<u>79,543</u>	<u>307,543</u>

#### Summary of transactions with other related parties

Other related parties include Industrial Automation and Control Holdings Limited and ABIAC Bulk Handling Limited. The companies in the group are related to Industrial Automation and Control Holdings Limited through common directors and shareholders. The group is related to ABIAC Bulk Handling Limited through common directors.

# Industrial Automation and Control Limited

## Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

### 28. Related party transactions *(continued)*

#### Company

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

	Transaction value		Balance owed by/(owed to)	
	2021	2020	2021	2020
	£	£	£	£
Other related parties	348,000	(95,816)	79,543	307,543