

IAC Electronic Manufacturing Services Limited
Filleted Unaudited Financial Statements
31 March 2021



ELLIS LLOYD JONES LLP
Chartered accountants
11 Park Square
Newport
South Wales
NP20 4EL

IAC Electronic Manufacturing Services Limited

Chartered Accountant's Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of IAC Electronic Manufacturing Services Limited

Year ended 31 March 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of IAC Electronic Manufacturing Services Limited for the year ended 31 March 2021, which comprise the statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at www.icaew.com/en/membership/regulations-standards-and-guidance.

This report is made solely to the Board of Directors of IAC Electronic Manufacturing Services Limited, as a body. Our work has been undertaken solely to prepare for your approval the financial statements of IAC Electronic Manufacturing Services Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with ICAEW Technical Release 07/16 AAF as detailed at www.icaew.com/compilation. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than IAC Electronic Manufacturing Services Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that IAC Electronic Manufacturing Services Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of IAC Electronic Manufacturing Services Limited. You consider that IAC Electronic Manufacturing Services Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or a review of the financial statements of IAC Electronic Manufacturing Services Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Ellis Lloyd Jones LLP

Ellis Lloyd Jones LLP (Dec 14 2021 16:27 GMT)

ELLIS LLOYD JONES LLP
Chartered accountants

11 Park Square
Newport
South Wales
NP20 4EL

Dec 14, 2021

IAC Electronic Manufacturing Services Limited

Statement of Financial Position

31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Intangible assets	5	2	2
Tangible assets	6	<u>7,931</u>	<u>12,355</u>
		7,933	12,357
Current assets			
Stocks		20,771	26,114
Debtors	7	18,187	20,741
Cash at bank and in hand		<u>2,830</u>	<u>4,671</u>
		41,788	51,526
Creditors: amounts falling due within one year	8	<u>969,537</u>	<u>933,837</u>
Net current liabilities		927,749	882,311
Total assets less current liabilities		(919,816)	(869,954)
Net liabilities		(919,816)	(869,954)
Capital and reserves			
Called up share capital		100	100
Profit and loss account		<u>(919,916)</u>	<u>(870,054)</u>
Shareholder deficit		(919,816)	(869,954)

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In accordance with section 444 of the Companies Act 2006, the income statement has not been delivered.

For the year ending 31 March 2021 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

Directors' responsibilities:

- The member has not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements.

The statement of financial position continues on the following page.

The notes on pages 4 to 8 form part of these financial statements.

IAC Electronic Manufacturing Services Limited

Statement of Financial Position (continued)

31 March 2021

These financial statements were approved by the board of directors and authorised for issue on ^{Dec 14, 2021}....., and are signed on behalf of the board by:

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

Mr P Lewis
Director

Company registration number: 07162467

The notes on pages 4 to 8 form part of these financial statements.

IAC Electronic Manufacturing Services 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, NP19 4SS, Wales.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

Going Concern

During the year, the company made a loss of £49,862 (2020: £47,875). At 31 March 2021, there was a deficit on the shareholder's funds of £919,815 (2020: £869,954).

Despite this loss, the directors believe that business will improve post pandemic, and as such will continue to persevere for the near future. The directors feel that they continue to meet customer's quality and delivery requirements and this has stood the company in good stead for future growth.

The company continues to have sufficient funds to meet its current liabilities as they fall due.

The company also has the support of Industrial Automation and Control Limited, which owns 100% of the issued ordinary share capital and has confirmed that it will not require payment of its loans or trading balance until IAC Electronic Manufacturing Services Limited has the funds to repay it.

The directors therefore believe that the company is a going concern and the accounts have been prepared on that basis.

Revenue recognition

The turnover shown in the profit and loss account represents the supply of goods and services to customers during the year, derived from ordinary activities, and stated after trade discounts, other sales taxes and exclusive of VAT.

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.

IAC Electronic Manufacturing Services Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2021

3. Accounting policies (continued)

Intangible assets (continued)

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.

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	- 20% straight line

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.

IAC Electronic Manufacturing Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

3. Accounting policies *(continued)*

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. Cost is defined as the actual cost of goods for resale.

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.

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.

Financial instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the balance sheet. Finance costs and gains or losses relating to financial liabilities are included in the profit and loss account. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

IAC Electronic Manufacturing Services Limited

Notes to the Financial Statements (continued)

Year ended 31 March 2021

3. Accounting policies (continued)

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. Employee numbers

The average number of persons employed by the company during the year amounted to 4 (2020: 4).

5. Intangible assets

	Goodwill £	Development costs £	Total £
Cost			
At 1 April 2020 and 31 March 2021	<u>1</u>	<u>1</u>	<u>2</u>
Amortisation			
At 1 April 2020 and 31 March 2021	<u>-</u>	<u>-</u>	<u>-</u>
Carrying amount			
At 31 March 2021	<u>1</u>	<u>1</u>	<u>2</u>
At 31 March 2020	<u>1</u>	<u>1</u>	<u>2</u>

6. Tangible assets

	Plant and machinery £	Fixtures and fittings £	Total £
Cost			
At 1 April 2020 and 31 March 2021	<u>117,369</u>	<u>9,050</u>	<u>126,419</u>
Depreciation			
At 1 April 2020	110,957	3,107	114,064
Charge for the year	<u>2,865</u>	<u>1,559</u>	<u>4,424</u>
At 31 March 2021	<u>113,822</u>	<u>4,666</u>	<u>118,488</u>
Carrying amount			
At 31 March 2021	<u>3,547</u>	<u>4,384</u>	<u>7,931</u>
At 31 March 2020	<u>6,412</u>	<u>5,943</u>	<u>12,355</u>

IAC Electronic Manufacturing Services Limited

Notes to the Financial Statements *(continued)*

Year ended 31 March 2021

7. Debtors

	2021	2020
	£	£
Trade debtors	13,756	13,967
Other debtors	4,431	6,774
	<u>18,187</u>	<u>20,741</u>

8. Creditors: amounts falling due within one year

	2021	2020
	£	£
Trade creditors	280,577	289,859
Amounts owed to group undertakings and undertakings in which the company has a participating interest	677,094	637,094
Social security and other taxes	8,100	3,422
Other creditors	3,766	3,462
	<u>969,537</u>	<u>933,837</u>

9. Related party transactions

Group undertakings

Industrial Automation & Control Limited, the parent company, whose registered address is Delta House, Queensway Meadows, Newport, South Wales, NP19 4SS, prepares consolidated group financial statements.

Amounts owed to group undertakings are disclosed in the creditors note. Included in trade creditors is £267,544 (2020: £270,868) owed to the parent company.

10. Controlling party

The ultimate controlling party is Mr P Lewis.