

Registered number: 01128401

**INDUSTRIAL ANCILLARIES LIMITED**  
**UNAUDITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2019**

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**INDUSTRIAL ANCILLARIES LIMITED**  
**REGISTERED NUMBER: 01128401**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2019**

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Tangible assets	4	2,982,193	3,112,177
<b>Current assets</b>			
Stocks		1,725,561	1,754,478
Debtors: amounts falling due within one year	5	1,160,106	1,340,543
Cash at bank and in hand		92,180	91,379
		<u>2,977,847</u>	<u>3,186,400</u>
Creditors: amounts falling due within one year	6	<u>(2,440,209)</u>	<u>(2,497,131)</u>
<b>Net current assets</b>		<u>537,638</u>	<u>689,269</u>
<b>Total assets less current liabilities</b>		<u>3,519,831</u>	<u>3,801,446</u>
Creditors: amounts falling due after more than one year	7	(1,416,525)	(1,560,218)
<b>Provisions for liabilities</b>			
Deferred tax	8	(151,448)	(161,189)
<b>Net assets</b>		<u><u>1,951,858</u></u>	<u><u>2,080,039</u></u>
<b>Capital and reserves</b>			
Called up share capital		650	650
Share premium account		52,900	52,900
Profit and loss account		1,898,308	2,026,489
		<u><u>1,951,858</u></u>	<u><u>2,080,039</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 18 September 2020.

**J A Dennis**  
Director



The notes on pages 2 to 8 form part of these financial statements.

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## INDUSTRIAL ANCILLARIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 1. General information

Industrial Ancillaries Limited is a private company limited by shares, incorporated in England and Wales (registered number: 01128401). Its registered office is Harper Way, Markham Vale, Chesterfield, Derbyshire, S44 5JX. The principal activity of the company throughout the year continued to be that of engineering merchants.

#### 2. Accounting policies

##### 2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The company's functional and presentational currency is pounds sterling.

The following principal accounting policies have been applied:

##### 2.2 Going concern

The outbreak of the Coronavirus in the UK since the year-end date has impacted the whole country and the related disruption is affecting the general economy. The Directors have carefully considered the likely effect of Covid-19 on the company's future financial performance and have prepared detailed financial projections thereon. The Directors have concluded that despite the ongoing difficulties affecting the UK economy, the company will continue to have sufficient working capital to settle its liabilities as they fall due for a period of 12 months from the date of approval of these financial statements and on this basis it is therefore appropriate that they are prepared on a going concern basis.

##### 2.3 Foreign currency translation

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income.

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## INDUSTRIAL ANCILLARIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

##### Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of income and retained earnings on a straight line basis over the lease term.

##### 2.6 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of income and retained earnings so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

##### 2.7 Pensions

##### Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of income and retained earnings when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

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## INDUSTRIAL ANCILLARIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings.

The current tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits and any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

##### 2.9 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, as follows.

The depreciation rates used are:

Freehold property	- 2% straight line
Leasehold property improvements	- over the length of the lease
Plant and machinery	- 20% reducing balance
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 20% - 33% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of income and retained earnings.

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## INDUSTRIAL ANCILLARIES LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

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#### 2. Accounting policies (continued)

##### 2.10 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

##### 2.11 Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities such as bank and cash balances, trade and other accounts receivable and payable, loans from banks and other third parties and loans to and from related parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the transaction price and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### 3. Employees

The average monthly number of employees, including directors, during the year was 39 (2018 - 40).

**INDUSTRIAL ANCILLARIES LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019**

**4. Tangible fixed assets**

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
<b>Cost</b>						
At 1 January 2019	3,242,325	11,915	668,179	17,765	416,526	4,356,710
Additions	-	-	2,700	-	6,677	9,377
Disposals	-	-	-	-	(1,090)	(1,090)
At 31 December 2019	3,242,325	11,915	670,879	17,765	422,113	4,364,997
<b>Depreciation</b>						
At 1 January 2019	513,899	2,383	466,709	15,791	245,751	1,244,533
Charge for the year on owned assets	60,347	2,383	40,339	494	34,708	138,271
At 31 December 2019	574,246	4,766	507,048	16,285	280,459	1,382,804
<b>Net book value</b>						
At 31 December 2019	2,668,079	7,149	163,831	1,480	141,654	2,982,193
At 31 December 2018	2,728,426	9,532	201,470	1,974	170,775	3,112,177

**5. Debtors**

	2019 £	2018 £
Trade debtors	1,086,948	1,245,370
Other debtors	23,176	53,115
Prepayments and accrued income	49,982	42,058
	<b>1,160,106</b>	<b>1,340,543</b>

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**INDUSTRIAL ANCILLARIES LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**6. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank overdrafts	<b>242,780</b>	204,512
Bank loans	<b>168,275</b>	130,603
Trade creditors	<b>773,819</b>	909,990
Corporation tax	<b>34,410</b>	32,723
Other taxation and social security	<b>140,762</b>	119,350
Other creditors	<b>1,026,890</b>	1,027,479
Accruals and deferred income	<b>23,273</b>	42,474
Share capital treated as debt	<b>30,000</b>	30,000
	<b><u>2,440,209</u></b>	<b><u>2,497,131</u></b>

**7. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£</b>	<b>£</b>
Bank loans	<b><u>1,416,525</u></b>	<b><u>1,560,218</u></b>

**Secured loans**

Included in creditors are bank loans amounting to £1,584,800 (2018 - £1,690,821) on which security has been given by the company.

Included in creditors falling due after more than one year is an amount of £922,788 (2018 - £1,023,229) in respect of liabilities which fall due for payment after more than five years from the balance sheet date.



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INDUSTRIAL ANCILLARIES LIMITED

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NOTES TO THE FINANCIAL STATEMENTS  
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8. Deferred taxation

	2019 £
At beginning of year	161,189
Charged to profit or loss	(9,741)
<b>At end of year</b>	<b>151,448</b>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	152,032	161,749
Tax losses carried forward	(584)	(560)
	<b>(151,448)</b>	<b>(161,189)</b>

9. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	52,885	47,912
Later than 1 year and not later than 5 years	79,252	92,914
	<b>132,137</b>	<b>140,826</b>

10. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2019 was unqualified.

The audit report was signed on 18 September 2020 by Andrew Irvine (Senior statutory auditor) on behalf of Shorts.