

Registered number: 01538873

INDUSTRIAL SUPPLIES & SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2020

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INDUSTRIAL SUPPLIES & SERVICES LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	3
Statement of directors' responsibilities in respect of the strategic report, the directors' report and the financial statements	4
Independent auditor's report to the members of Industrial Supplies & Services Limited	5 - 7
Profit and loss account	8
Balance sheet	9
Statement of changes in equity	10
Notes to the financial statements	11-26

INDUSTRIAL SUPPLIES & SERVICES LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020

The directors present the strategic report for the company for the year ended 31 December 2020.

Review of the company's business and principal activities

The company is a member of the Linde plc group ("Linde Group") and its ultimate parent company is Linde plc.

The company's principal activity has been throughout the current and preceding year the management and administration of its subsidiary companies whose principal activities are the sale and distribution of welding consumables, safety and related industrial products and equipment. It is envisaged that this will continue to be the principal activity of the company for the foreseeable future.

Performance of the company's business during the financial year

The company's income is mainly derived from dividends and management charges from its subsidiary undertakings. Investment income decreased during the year to £418,000 (2019: £2,620,000) following a decrease in dividends received.

The results for the year are contained in the accompanying profit and loss account on page 8 and show a profit after tax for the financial year of £516,410 (2019: £2,485,955).

Key performance indicator

The directors refer to the company's level of income, its operating and retained profits, the value of its investments and net asset value in evaluating the company's performance.

Position of the company's business at the year ended 31 December 2020

As at 31 December 2020 the company held net current assets of £11,738,195 (2019: £11,210,413) and net assets of £14,341,995 (2019: £13,825,585).

Objectives and strategies

The company's primary objective and strategy is to continue as a holding company for its subsidiary companies.

Markets

Industrial Supplies & Services Limited is the holding company for a group of companies, principally operating in the United Kingdom.

Risks and uncertainties

The principal risk and uncertainty facing the company is investment risk. As a holding company, Industrial Supplies & Services Limited is exposed to the risk of impairment through poor performing subsidiaries. Impairment reviews are carried out at least annually to effectively manage and mitigate this risk.

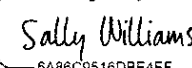
The United Kingdom has left the European Union ("EU") ("Brexit"), and is now in a transition period before new rules are expected to come into effect from 1 January 2021. The uncertainty of Brexit, poses potential financial risks to our market and therefore to our business. However, any potential impact of Brexit will, to some extent, be mitigated by the company's investments located outside of the EU.

The directors acknowledge the current outbreak of Covid-19 and its potential to impact the economy and regions in which the company operates. Whilst the directors continue to monitor this risk, as at the date of issuance of these financial statements, there is no adverse material impact on the company's activities and the financial position of the company remains positive.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020**

This report was approved by the board of directors on 16 December 2021 and was signed on its behalf by:-

DocuSigned by:

6A96C9516DBE4EF
Mrs S A Williams
Director

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2020**

The directors present their report and the audited financial statements for the year ended 31 December 2020.

Directors

The directors who held office during and after the year under review were:

Mr J P Black
Mr J M Bland (alternate director to Mrs S A Williams)
Mr G Gill
Mrs S A Williams

The directors are not subject to retirement by rotation.

Dividends

An interim dividend of £nil was paid during the year (2019: £260,000) and the directors do not recommend the payment of a final dividend for the year ended 31 December 2020 (2019: £nil).

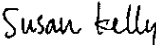
Disclosure of information to auditor

The directors holding office at the date of approval of this directors report confirm that, so far as they are aware, there is no relevant audit information of which the company's auditor is unaware and each director has taken all steps that ought to have been taken as directors to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

On 21 December 2020, KPMG LLP resigned as auditors of the company and on 12 March 2021 the directors appointed BHP LLP as auditors of the company, to fill the casual vacancy.

This report was approved by the board of directors on 16 December 2021 and was signed on its behalf by:-

DocuSigned by:

9FEE590F7FFF47A

S K Kelly
Secretary

10 Priestley Road
Surrey Research Park
Guildford
Surrey
GU2 7XY
England

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE STRATEGIC REPORT,
DIRECTORS' REPORT AND THE FINANCIAL STATEMENTS**

The directors are responsible for preparing the 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 they have elected to prepare the financial statements in accordance with UK accounting standards and applicable law (UK Generally Accepted Accounting Practice), including FRS 101 Reduced Disclosure Framework,

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDUSTRIAL SUPPLIES & SERVICES LIMITED

Opinion

We have audited the financial statements of Industrial Supplies & Services Limited ("the company") for the year ended 31 December 2020 which comprise of the Profit and Loss account, the Balance Sheet, the Statement of Changes of Equity and related notes, including a summary of significant the accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 Reduced Disclosure Framework (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements, the financial statements

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with UK GAAP; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusion relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The 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 contained within the annual report. 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. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

As described in the basis for qualified opinion section of our report, we were unable to satisfy ourselves concerning the cut off of income, purchases and stock values stated within the accounts. We have concluded that where the other information refers to these balances, it may be materially misstated for the same reason.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDUSTRIAL SUPPLIES & SERVICES LIMITED

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in 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:

- returns adequate for our audit have not been kept, or returns adequate for our audit have not been received from branches not visited by us;
- the financial statements are not in agreement with the accounting records and returns;
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities

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 such 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.

We focussed on laws and regulations relevant to the company which could give rise to a material misstatement in the financial statements. Our testing included discussions with management, directors and those staff with direct responsibility for the compliance of laws and regulations, agreeing financial statement disclosures to underlying supporting documentation, and reviewing legal expenses. There are inherent limitations in the audit

INDUSTRIAL SUPPLIES & SERVICES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF INDUSTRIAL SUPPLIES & SERVICES LIMITED

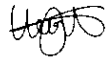
procedures described and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

As part of our audit, we addressed the risk of management override of internal controls, including testing of journals and review of the nominal ledger. We evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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

Use of this 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.



Lisa Leighton (Senior statutory auditor)

for and on behalf of

BHP LLP,

Chartered Accountants

2 Rutland Park
Sheffield
S10 2PD

Date: Dec 17, 2021

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**PROFIT AND LOSS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Note	2020 £	2019 £
Administrative expenses	2	(434,758)	(543,826)
Other operating income		487,899	331,873
Operating profit/(loss)		53,141	(211,953)
Investment income	3	418,000	2,620,000
Interest receivable and similar income	4	46,119	78,272
Profit before taxation		517,260	2,486,319
Tax on profit	5	(850)	(364)
Profit for the financial year		516,410	2,485,955

The accompanying notes form an integral part of the financial statements.

All of the above relates to continuing operations.

The company has no items of other comprehensive income in the year other than those included in the profit and loss account above and therefore no separate statement of comprehensive income has been prepared.

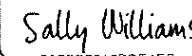
INDUSTRIAL SUPPLIES & SERVICES LIMITED
REGISTERED NUMBER: 01538873

BALANCE SHEET
AS AT 31 DECEMBER 2020

	Note	2020 £	2019 £
Non-current assets			
Tangible Fixed Assets	9	361,155	436,240
Investments in group undertakings	10	2,450,332	2,450,332
		<u>2,811,487</u>	<u>2,886,572</u>
Current assets / (liabilities)			
Debtors: amounts falling due within one year	11	13,047,304	14,651,727
Cash at bank and in hand		861,506	1,637,486
Creditors: amounts falling due within one year	12	(2,170,615)	(5,078,800)
Net current assets		<u>11,738,195</u>	<u>11,210,413</u>
Creditors: amounts falling due after more than one year	13	(207,687)	(271,400)
		<u>14,341,995</u>	<u>13,825,585</u>
Net assets		<u>14,341,995</u>	<u>13,825,585</u>
Capital and reserves			
Called up share capital	15	10,250	10,250
Share premium account		14,998	14,998
Profit and loss account		14,316,747	13,800,337
Shareholders' funds		<u>14,341,995</u>	<u>13,825,585</u>

The accompanying notes form an integral part of the financial statements.

The financial statements were approved by the board of directors on 16 December 2021 and were signed on its behalf by:-

DocuSigned by:

 6A86C9516DBE4EF
Mrs S A Williams
 Director

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2020	10,250	14,998	13,800,337	13,825,585
Profit for the year	-	-	516,410	516,410
Total comprehensive income for the year	-	-	516,410	516,410
Balance at 31 December 2020	10,250	14,998	14,316,747	14,341,995

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
Balance at 1 January 2019	10,250	14,998	11,574,382	11,599,630
Profit for the year	-	-	2,485,955	2,485,955
Total comprehensive income for the year	-	-	2,485,955	2,485,955
Dividends: Equity capital	-	-	(260,000)	(260,000)
Balance at 31 December 2019	10,250	14,998	13,800,337	13,825,585

The accompanying notes form an integral part of the financial statements.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies

Industrial Supplies & Services Limited is a company incorporated in England and Wales and domiciled in the UK. The registered number is 01538873 and the registered address is 10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England.

The company is exempt by virtue of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the company as an individual undertaking and not about its group.

These financial statements were prepared in accordance with Financial Reporting Standard 101 *Reduced Disclosure Framework* ("FRS 101").

In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of International Financial Reporting Standards as adopted by the EU ("Adopted IFRSs"), but makes amendments where necessary in order to comply with Companies Act 2006 and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

The company's ultimate parent undertaking, Linde plc, includes the company in its consolidated financial statements. The consolidated financial statements of Linde plc are prepared in accordance with International Financial Reporting Standards and are available to the public and may be obtained from its principal trading address at, The Priestley Centre, 10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England.

In these financial statements, the company has applied the exemptions available under FRS 101 in respect of the following disclosures:

- a Cash Flow Statement and related notes;
- comparative period reconciliations for share capital, tangible fixed assets and intangible assets;
- disclosures in respect of transactions with wholly owned members of the Linde Group;
- disclosures in respect of capital management;
- the effects of new but not yet effective IFRSs;
- disclosures in respect of the compensation of Key Management Personnel.

The accounting policies set out in this note have been applied consistently in preparing these financial statements for the year ended 31 December 2020 and the year ended 31 December 2019.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.1 Measurement convention

The financial statements are prepared on the historical cost basis.

1.2 Going concern

The use of the going concern basis of accounting is appropriate because there are no material uncertainties related to events or conditions that may cast significant doubt about the ability of the company to continue as a going concern.

The company has net assets and net current assets and can therefore support itself for the foreseeable future. Consequently, the Directors have reasonable expectation that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements on a going concern basis.

The forecasts are dependent on the company's ability to draw on its cash balances on demand. The company places its cash on deposit with Praxair International Finance, a fellow subsidiary of the company's ultimate parent undertaking Linde plc. Under the terms of the deposit agreement between the company and Praxair International Finance, the company is able to withdraw its cash balances without restriction and on demand. The directors acknowledge that Praxair International Finance also holds similar deposits and agreements with other entities within the wider Linde Group and as a result the directors do not have visibility of Praxair International Finance's ability to repay the company's cash balances on demand in downside scenarios from its own assets. However, Linde Finance BV, another subsidiary of the Linde plc Group, has access to a \$5bn overdraft facility which expires on 26 March 2024 and which is undrawn at the time of signing of these financial statements as well as a guarantee (the "Guarantee") from Linde plc over its third party creditors. These facilities are substantially in excess of Praxair International Finance's obligations to Linde Group companies for cash balances placed on deposit and as a result the directors have concluded that Linde Finance BV would be able to repay the company's cash balance on demand throughout the forecast period. In making this assessment, the directors have also considered Linde plc's ability to provide the Guarantee and have concluded that Linde plc has the intent and ability to do so.

The directors acknowledge the current outbreak of Covid-19 and its impact on the economy and regions in which the entity operates. The directors have concluded that there are currently no material uncertainties that could cast significant doubt over the company's ability to continue as a going concern.

Consequently, the Directors have reasonable expectation that the Company will have sufficient funds to continue to meet its liabilities as they fall due for at least 12 months from the date of approval of the financial statements on a going concern basis.

1.3 Functional currency

The functional currency of Industrial Supplies & Services Limited is sterling and the accounts are prepared using its functional currency, which is the currency of the primary economic environment in which it operates.

1.4 Adoption of revised standards

There are no amendments to accounting standards that are effective for the year ended 31 December 2020 that have a material impact on the company's financial statements.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.5 Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity and debt securities, trade and other debtors, cash and cash equivalents, loans and borrowings, and trade and other creditors.

Trade and other debtors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.6 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses.

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets.

Depreciation is charged to the profit and loss account on a straight-line basis, or on a reducing balance basis, over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Fixtures, fittings & office equipment – straight line 4 years/ 15% reducing balance
- Land and buildings – straight line 10 years buildings/ straight line 50 years property

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.7 Expenses

Interest receivable and Interest payable

Interest payable and similar charges include interest payable, unwinding of the discount on provisions, and net foreign exchange losses that are recognised in the profit and loss account (see foreign currency accounting policy). Other interest receivable and similar income include interest receivable on funds invested and net foreign exchange gains.

Interest income and interest payable is recognised in profit or loss as it accrues, using the effective interest method. Foreign currency gains and losses are reported on a net basis.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

1.8 Leases

The Company has applied IFRS 16 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under IAS 17. At the inception of a contract, the company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16.

As a lessee

At commencement or on modification of a contract that contains a lease component, along with one or more other lease or non-lease components, the company accounts for each lease component separately from the non-lease components. The company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone price and the aggregate stand-alone price of the non-lease components.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the company by the end of the lease term or the cost of the right-of-use asset reflects that the company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the company is reasonably certain to exercise,
- lease payments in an optional renewal period if the company is reasonably certain to exercise an extension option, and
- penalties for early termination of a lease unless the company is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, if the company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, to the extent that the right-of-use asset is reduced to nil, with any further adjustment required from the remeasurement being recorded in profit or loss.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

1. Accounting policies (continued)

The company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

The company has elected not to recognise right-of-use assets and lease liabilities for lease of lowvalue assets and short-term leases. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

1.9 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The following temporary differences are not provided for: the initial recognition of goodwill; the initial recognition of assets or liabilities that affect neither accounting nor taxable profit other than in a business combination, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.10 Investments

Fixed assets investments are stated at cost less provision for permanent diminution in value.

1.11 Income

Income from shares in group undertakings is recognised when dividends become a legally binding liability of the company. In the case of interim dividends declared by the board, this is on payment of the dividend. In the case of dividends approved by the company's members, this is recognised once passed by the members.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

1. Accounting policies (continued)**1.12 Accounting estimates and judgements**

Provided below are the key assumptions concerning the future and key sources of estimation uncertainty at the balance sheet date that may cause material adjustment to the carrying amounts of assets or liabilities within the next financial year.

Recoverability of receivables

To assess the recoverability of accounts receivable, the creditworthiness of customers is subject to constant review. A provision for bad debts is made in line with Group policy.

Fixed assets (impairment)

Fixed assets are depreciated on an annual basis, in accordance with the company's accounting policy. An impairment review is carried out if a triggering event occurs during the year.

2. Expenses

	2020	2019
	£	£
Exempt IFRS16 charges		
Land and buildings		-
Motor vehicles		-
Depreciation:		
Owned assets	11,038	18,928
Right to use assets	64,045	91,034
Other expenses:		
Impairment of balances owed by group undertakings		-
Net foreign exchange gains / losses	602	80
Auditor's remuneration:		
Audit of these financial statements	5,000	16,080
	80,685	126,122

3. Income from investments

	2020	2019
	£	£
Dividends received	418,000	2,620,000

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

4. Interest

	2020 £	2019 £
Interest receivable and similar income		
Bank interest	-	136
Loan interest received from subsidiary undertakings	46,119	78,136
	<u>46,119</u>	<u>78,272</u>

5. Tax on profit

	2020 £	2019 £
Analysis of charge in year		
Current tax		
	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	1,504	408
Effect of changes in tax rates	(654)	(44)
Total deferred tax	<u>850</u>	<u>364</u>
Tax on profit	<u>850</u>	<u>364</u>

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

5. Tax on profit (continued)

Factors affecting tax for the year

The tax assessed for the year is lower than (2019 - *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit before taxation	375,154	2,486,319
Profit multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	71,279	472,401
Effects of:		
Expenses not deductible for tax purposes	1	1,507
Income not assessable for tax purposes	(79,420)	(497,800)
Tax rate changes	(654)	(43)
Effects of group relief / other reliefs	9,644	24,299
Current tax charge for the year (as above)	850	364

Factors that may affect future tax charges

The standard rate of Corporation Tax in the UK is 19% and will remain at the same rate for the period beginning on 1 April 2021.

6. Employee numbers

The average number of persons employed by the company (including relevant directors) during the year, analysed by category, was as follows:

	2020 £	2019 £
Management and sales	6	6
	6	6

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

7. Employee costs

	2020	<i>2019</i>
	£	<i>£</i>
Wages and salaries	201,489	<i>269,807</i>
Social security costs	27,152	<i>36,309</i>
Pension costs	63,140	<i>76,653</i>
	291,781	<i>382,769</i>

8. Directors' remuneration

	2020	<i>2019</i>
	£	<i>£</i>
Directors' remuneration	77,630	<i>79,456</i>
Pension costs	4,110	<i>6,596</i>
	81,740	<i>86,052</i>

Certain directors of the company are employed as managers or directors by BOC Limited and are remunerated by this company in respect of their services to the group as a whole. Their emoluments are dealt with in the accounts of BOC Limited. Consequently, they have not been disclosed in this note. The emoluments of other directors directly employed by the company are as above.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

9. Tangible fixed assets

	Land and buildings £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 January 2020	610,802	49,378	137,771	797,951
At 31 December 2020	610,802	49,378	137,771	797,951
Depreciation				
At 1 January 2020	183,676	40,264	137,771	361,711
Charge for the year on owned assets	11,040	-	-	11,040
Charge for the year on right to use assets	54,931	9,114	-	64,045
At 31 December 2020	249,647	49,378	137,771	436,796
Net book value				
At 31 December 2020	361,155	-	-	361,155
At 31 December 2019	427,126	9,114	-	436,240

Right to use assets

The net book value of owned and leased assets included as 'Tangible fixed assets' in the Balance Sheet is as follows:

	2020 £	2019 £
Tangible fixed assets owned	84,175	95,215
Right to use assets	276,980	341,025
	361,155	436,240

Information about right-of-use assets is summarised in note 16.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

10. Investments

	Shares in group undertakings £
At 1 January 2020	2,450,332
At 31 December 2020	<u>2,450,332</u>
At 31 December 2019	<u>2,450,332</u>

11. Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	1,125	232,910
Amounts owed by group undertakings	13,027,343	14,354,785
Other debtors	18,836	58,471
Deferred tax asset (note 13)	-	5,561
	<u>13,047,304</u>	<u>14,651,727</u>

Amounts owed by group companies are interest bearing and repayable on demand.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

12. Creditors

	2020 £	2019 £
Amounts falling due within one year:		
Trade creditors	17,034	88,591
Amounts owed to group undertakings	1,883,809	4,793,951
Lease liability	66,137	66,137
Other creditors	190,409	130,121
Other taxation and social security	13,226	-
	<u>2,170,615</u>	<u>5,078,800</u>

Amounts owed to group companies are interest free and repayable on demand.

13. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Lease liability	207,687	271,400
	<u>207,687</u>	<u>271,400</u>

Please provide details of the terms of payment or repayment and the rates of any interest payable on the amounts repayable more than five years after the balance sheet date.

14. Deferred tax

	2020 £	2019 £
Fixed assets	4,711	5,561
Temporary differences trading	-	-
	<u>4,711</u>	<u>5,561</u>
At 1 January	5,561	5,925
Adjustment in respect of prior years	-	-
Deferred tax charge to P&L for the period	(850)	(364)
At 31 December	<u>4,711</u>	<u>5,561</u>

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

15. Share capital

	2020 £	2019 £
Allotted and fully paid		
10,250 ordinary shares of £1 each	10,250	10,250

The holder of the ordinary shares is entitled to receive dividends as declared from time to time and is entitled to receive one vote per share at general meetings of the company.

16. Leases

	Land and building £	Motor vehicles £	Total £
Balance at 1 January 2020	331,911	9,114	341,025
Recognition on initial application of IFRS 16	-	-	-
Depreciation charge for the year	(54,931)	(9,114)	(64,045)
	276,980	-	276,980

The following amounts have been recognised in profit or loss for which the Company is a lessee:

	2020 £	2019 £
2020 - Leases under IFRS 16		
Interest expense on lease liabilities	5,284	5,620
Expenses relating to IFRS 16 depreciation	64,045	91,034
Expenses relating to exempt leases	-	-
	69,329	96,654

17. Contingent liabilities

The company has a contingent liability in respect of agreement entered into by certain subsidiary undertakings with the minority shareholder of those undertakings, whereby upon death, retirement or termination of employment of the minority shareholder, the subsidiary or the company may purchase the ordinary shares at a price determined by the relevant agreement.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

18. Related party transactions

In accordance with FRS 101.8, the company is exempt from disclosing transactions with entities that are part of the Linde Group, or investees of the Linde Group qualifying as related parties, as it is a wholly owned subsidiary of a parent publishing consolidated financial statements.

The following transactions and balances concern related parties, transactions and balances which are not wholly owned subsidiaries.

Management and administration charges of £105,561 (2019: £161,719) have been charged to non-wholly owned subsidiary undertakings.

At 31 December 2020 the following balances were held:

	2020 £	2019 £
Amounts due from non-wholly owned subsidiary undertakings	40,062	54,760
	<hr/> 40,062	<hr/>
Split by:		
Gaffney Industrial & Welding Supplies Ltd	<hr/> 40,062	<hr/> 54,760
	<hr/> <hr/>	<hr/> <hr/>

19. Ultimate parent undertaking and parent company of larger group

The company is a wholly-owned subsidiary of Welding Products Holdings Limited, a company registered in England & Wales.

The ultimate parent undertaking and controlling party of the company is Linde plc which is registered in Ireland at Ten Earlsfort Terrace, Dublin 2, D02 T380, Ireland.

Linde plc is the smallest and largest group to consolidate these financial statements. Copies of Linde plc's consolidated financial statements can be obtained from that company at its principal trading address, 10 Priestley Road, The Surrey Research Park, Guildford, Surrey, GU2 7XY, England.

INDUSTRIAL SUPPLIES & SERVICES LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

20. Participating interests

Subsidiary undertakings					
Country of incorporation	Name	% of nominal value held as at 31.12.2020	% of nominal value held as at 31.12.2019	Nature of interest	Notes & Registered Office
United Kingdom	Allweld Industrial and Welding Supplies Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Express Industrial & Welding Supplies Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Future Industrial and Welding Supplies Ltd.	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Gaffney Industrial & Welding Supplies Ltd	80	80	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Gas & Gear Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Industrial & Welding Supplies (North West) Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Industrial and Welding Management Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	IWS (Industrial & Welding Supplies) Limited (formerly Gwynedd Industrial & Welding Supplies Limited)	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Leen Gate Industrial & Welding Supplies (Scotland) Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Leengate Industrial & Welding Supplies (Lincoln) Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England

INDUSTRIAL SUPPLIES & SERVICES LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020**

United Kingdom	Leengate Industrial & Welding Supplies (North East) Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Leengate Industrial & Welding Supplies (Nottingham) Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Leengate Industrial & Welding Supplies Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Pennine Industrial & Welding Supplies Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Rock Industrial & Welding Supplies Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Ryval Gas Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Welder Equipment Services Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England
United Kingdom	Wessex Industrial & Welding Supplies Limited	100	100	Ordinary £1	10 Priestley Road, Surrey Research Park, Guildford, Surrey, GU2 7XY, England