

ICH Limited

Registered number: 02745893

Information for filing with the Registrar

For the year ended 31 August 2021

STATEMENT OF FINANCIAL POSITION
AS AT 31 AUGUST 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	105,390	38,571
Investments	6	100,004	4
		<u>205,394</u>	<u>38,575</u>
Current assets			
Debtors	7	4,530,974	4,270,608
Cash at bank and in hand		88,394	13,595
		<u>4,619,368</u>	<u>4,284,203</u>
Creditors: amounts falling due within one year	8	(3,410,268)	(3,091,165)
Net current assets		<u>1,209,100</u>	<u>1,193,038</u>
Total assets less current liabilities		<u>1,414,494</u>	<u>1,231,613</u>
Creditors: amounts falling due after more than one year	9	(341,865)	(358,834)
Provisions for liabilities			
Deferred tax	11	-	(5,264)
Net assets		<u><u>1,072,629</u></u>	<u><u>867,515</u></u>
Capital and reserves			
Called up share capital	12	15	15
Capital redemption reserve	13	1	1
Profit and loss account	13	1,072,613	867,499
		<u><u>1,072,629</u></u>	<u><u>867,515</u></u>

ICH LIMITED

REGISTERED NUMBER: 02745893

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 AUGUST 2021

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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 comprehensive income 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 25 August 2022.

N E Blenkin

Director

The notes on pages 3 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

1. General information

ICH Limited ("the Company") is a private company, limited by shares, registered in England and Wales, registered number 02745893.

The registered office and principal place of business is, Union Bridge Works, Roker Lane, Pudsey, LS28 9LE.

The principal activity of the Company is the supply and installation of air conditioning units.

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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

These financial statements have been presented in pound sterling which is the functional currency of the Company, and rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Going concern

These financial statements have been prepared on a going concern basis. The directors, having considered the financial position of the Company for a period of at least twelve months from the date of signing these financial statements, have no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern.

Accordingly the directors have a reasonable expectation that the Company will continue in operational existence and thus they adopt the going concern basis of accounting in preparing the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Accounting policies (continued)

2.3 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

2.5 Government grants

The UK government has offered a range of financial support packages to help companies, including government backed financing arrangements, furlough schemes, deferment of VAT payments and, for some sectors, business rates holidays. Of the offered schemes, the Company used the furlough scheme and the VAT payment deferral scheme. The income from the furlough scheme has been recognised within 'Other operating income'. They are recognised when the entity has reasonable assurance that they will comply with the conditions attaching the grant, and that the grant will be received.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Accounting policies (continued)

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 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 profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting 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 Statement of Financial Position 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.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Tax credits receivable on research and development claims made by the Company are accounted for on an accruals basis based on what the Company expected to receive.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Accounting policies (continued)

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 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, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold improvements	- 15%
Plant & machinery	- 15% to 25%
Computer equipment	- 3 year useful life

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 profit or loss.

2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.13 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.14 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

2. Accounting policies (continued)

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.16 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows 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, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

2.17 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Employees

The average monthly number of employees, including directors, during the year was 83 (2020 - 100).

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

4. Intangible assets

	Goodwill £
Cost	
At 1 September 2020	306,424
At 31 August 2021	<u>306,424</u>
Amortisation	
At 1 September 2020	306,424
At 31 August 2021	<u>306,424</u>
Net book value	
At 31 August 2021	<u><u>-</u></u>
At 31 August 2020	<u><u>-</u></u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

5. Tangible fixed assets

	Leasehold improvements £	Other fixed assets £	Total £
Cost			
At 1 September 2020	57,542	394,277	451,819
Additions	-	84,509	84,509
At 31 August 2021	57,542	478,786	536,328
Depreciation			
At 1 September 2020	57,542	355,706	413,248
Charge for the year	-	17,690	17,690
At 31 August 2021	57,542	373,396	430,938
Net book value			
At 31 August 2021	-	105,390	105,390
At 31 August 2020	-	38,571	38,571

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 September 2020	4
Additions	100,000
At 31 August 2021	<u>100,004</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
ICH Central Services Limited	Ordinary	100 %
DEI Services Limited	Ordinary	100 %

DEI Services was acquired by the Company on 27 October 2021.

7. Debtors

	2021 £	2020 £
Trade debtors	1,748,512	1,691,058
Amounts owed by group undertakings	733,132	733,132
Other debtors	1,496,696	1,215,926
Prepayments and accrued income	532,990	630,492
Deferred taxation	19,644	-
	<u>4,530,974</u>	<u>4,270,608</u>

Amounts owed by group undertakings are interest free and repayable on demand.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

8. Creditors: Amounts falling due within one year

	2021	2020
	£	£
Other loans	163,268	69,040
Trade creditors	884,718	785,064
Amounts owed to group undertakings	14,659	4
Corporation tax	-	113,000
Other taxation and social security	1,307,080	933,906
Other creditors	1,028,043	1,181,301
Accruals and deferred income	12,500	8,850
	<u>3,410,268</u>	<u>3,091,165</u>

At the balance sheet date, included within other creditors are advances from an invoice finance provider of £809,097 (2020: £943,941) were secured by a first fixed and floating charge on the trade debts of the Company.

Included within other loans is a loan that relates to a Coronavirus Business Interruption Loan, repayable in installments by February 2024.

Additionally, the Company's pension scheme has provided a loan to the Company which is secured by way of a first charge over the Company's trademark. At the balance sheet date the loan amounted to £308,163 (2020: £427,874).

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

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

	2021	2020
	£	£
Other loans	<u>341,865</u>	<u>358,834</u>

The Company's pension scheme has provided a loan to the Company which is secured by way of a first charge over the Company's trademark. At the balance sheet date the loan amounted to £308,163 (2020: £427,874).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

10. Loans

Analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year		
Other loans	163,268	69,040
Amounts falling due 1-2 years		
Other loans	176,865	76,270
Amounts falling due 2-5 years		
Other loans	165,000	282,564
	<u>505,133</u>	<u>427,874</u>

11. Deferred taxation

	2021 £	2020 £
At beginning of year	(5,264)	(7,046)
Charged to profit or loss	24,908	1,782
At end of year	<u>19,644</u>	<u>(5,264)</u>

The deferred taxation balance is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(23,960)	(5,264)
Short term timing differences	1,782	-
Losses and other deductions	<u>41,822</u>	<u>-</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

12. Share capital

	2021	2020
	£	£
Allotted, called up and fully paid		
3 (2020 - 3) Ordinary shares of £1.00 each	3	3
3 (2020 - 3) Ordinary A shares of £1.00 each	3	3
3 (2020 - 3) Ordinary B shares of £1.00 each	3	3
3 (2020 - 3) Ordinary C shares of £1.00 each	3	3
2 (2020 - 2) Ordinary D shares of £1.00 each	2	2
1 (2020 - 1) Ordinary E share of £1.00	1	1
	<u>15</u>	<u>15</u>

The shares above rank pari passu and have equal voting rights.

13. Reserves

Profit & loss account

The profit and loss reserve shows the cumulative profits and losses of the Company to date, less any dividends paid.

14. Pension commitments

The Company operates defined contribution pension schemes. The assets of the schemes are held separately from those of the Company in independently administered funds. The pension cost charge represents contributions payable by the Company to these funds and amounted to £233,641 (2020: £320,315). At the balance sheet date the Company had fully paid its obligations to the pension schemes.

15. Commitments under operating leases

At 31 August 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021	18 month period ended 31 August 2020
	£	£
Not later than 1 year	110,120	188,093
Later than 1 year and not later than 5 years	257,692	282,775
	<u>367,812</u>	<u>470,868</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**

16. Transactions with directors

During the year the directors had active loan accounts with the Company. The Company made various loans to the directors during the year amounting to £84,691 (18 month period ended 31 August 2020: £263,493). The directors also repaid some of the loans amounting to £51,200 (18 month period ended 31 August 2020: £196,061). At the year end the amount owing to the Company from directors was £109,228 (2020: £75,737) and amounts owed to the directors was £1,282 (2020: £1,282).

The loans charged no interest and had no fixed repayment date.

17. Related party transactions

The Company is a wholly owned subsidiary of the group headed by Industrial and Commercial Heating (Holdings) Limited and as such has taken advantage of the exemptions under the terms of FRS 102 "The Financial Reporting Standard in the UK and Republic of Ireland", not to disclose related party transactions with wholly owned subsidiaries within the group.

Various loans and balances exist at the balance sheet date which involve entities and individuals which are connected to the directors and/or ultimate shareholders of the Company.

Amounts due (to)/from related parties at the year end are shown below;

	2021 £	2020 £
Due from group undertakings	718,477	733,132
Due from connected businesses	1,337,261	1,104,574
Due from directors	107,946	74,455
Due from connected individuals	35,615	35,615
Due to pension scheme	<u>(308,163)</u>	<u>(427,874)</u>

18. Post balance sheet events

On 24 February 2022 Russian Forces entered Ukraine, resulting in Western Nation reactions including announcements of sanctions against Russia and Russian interests worldwide and an economic ripple effect on the global economy. The Directors have carried out an assessment of the potential impact of Russian Forces entering Ukraine on the business, including the impact of mitigation measures and uncertainties, and have concluded that this is a non-adjusting post balance sheet event with the greatest impact on the business expected to be from the economic ripple effect on the global economy. The Directors have taken account of these potential impacts in their going concern assessment.

19. Controlling party

The Company is a wholly owned subsidiary of Industrial and Commercial Heating (Holdings) Limited. The registered office of the parent company is Union Bridge Works, Roker Lane, Leeds, LS28 9LE.

The ultimate controlling party is deemed to be S D Cooper and D Robinson through ownership of shares.

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