

REGISTERED NUMBER: 04259473 (England and Wales)

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
MINERAL INSULATED CABLE COMPANY LIMITED

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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MINERAL INSULATED CABLE COMPANY LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

DIRECTORS:	K D Dooley M Liddell N M Morton
SECRETARY:	M D Fitzpatrick
REGISTERED OFFICE:	Unit 21 Sedling Road Wear Industrial Estate Washington Tyne and Wear NE38 9BZ
REGISTERED NUMBER:	04259473 (England and Wales)
SENIOR STATUTORY AUDITOR:	David Holloway BA FCA DChA
AUDITORS:	Ribchesters Group Limited Registered Auditors Finchale House Belmont Business Park Durham DH1 1TW

MINERAL INSULATED CABLE COMPANY LIMITED (REGISTERED NUMBER: 04259473)

**BALANCE SHEET
31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
FIXED ASSETS					
Intangible assets	4		-		-
Tangible assets	5		320,736		330,715
Investments	6		15,713		15,713
			<u>336,449</u>		<u>346,428</u>
CURRENT ASSETS					
Stocks		1,719,182		2,059,717	
Debtors	7	1,701,371		2,338,276	
Cash at bank and in hand		<u>146,079</u>		<u>30,643</u>	
		3,566,632		4,428,636	
CREDITORS					
Amounts falling due within one year	8	<u>2,826,601</u>		<u>4,000,358</u>	
NET CURRENT ASSETS			<u>740,031</u>		<u>428,278</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			1,076,480		774,706
CREDITORS					
Amounts falling due after more than one year	9		(361,569)		(21,394)
PROVISIONS FOR LIABILITIES			<u>(5,880)</u>		<u>-</u>
NET ASSETS			<u><u>709,031</u></u>		<u><u>753,312</u></u>
CAPITAL AND RESERVES					
Called up share capital	12		1,783		1,783
Share premium			248,479		248,479
Capital redemption reserve			200		200
Retained earnings			<u>458,569</u>		<u>502,850</u>
SHAREHOLDERS' FUNDS			<u><u>709,031</u></u>		<u><u>753,312</u></u>

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

In accordance with Section 444 of the Companies Act 2006, the Statement of Income and Retained Earnings has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 26 May 2021 and were signed on its behalf by:

M Liddell - Director

The notes form part of these financial statements

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

1. STATUTORY INFORMATION

Mineral Insulated Cable Company Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Turnover

Turnover derives from the principal activity of the company which is that of the manufacture of mineral insulated cable. Income from that activity is recognised on despatch of the goods.

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of businesses in 2015 and 2016, is being amortised evenly over its estimated useful life of five years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Plant & machinery	- at varying rates on cost
Fixtures and fittings	- 10% on cost
Tools	- 10% on cost
Equipment	- at varying rates on cost

Government grants

Grants relating to revenue are recognised in income on a systematic basis over the periods in which the entity recognises the related costs for which the grant is intended to compensate.

Stocks

Stocks comprise raw materials and items at different stages of the production process. Raw materials are valued at the lower of average cost basis and net realisable value after making allowance for obsolete and slow moving items. Manufactured goods are valued at raw materials cost plus direct labour costs and a proportion of fixed overheads. Provision is made for obsolete and slow moving items.

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

2. ACCOUNTING POLICIES - continued

Financial instruments

The company has elected to apply the provisions of section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

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

Basic financial liabilities

Basic financial liabilities, including creditors, bank loans, other loans, and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Taxation

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Income and Retained Earnings, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

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

2. ACCOUNTING POLICIES - continued

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts and finance leases are depreciated over their estimated useful life.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Going concern

The accounts have been prepared on the going concern basis. The directors have prepared financial forecasts which provide a reasonable expectation that the company will achieve profits in the coming periods and have sufficient financing facilities to meet its working capital funding requirements.

The directors have reviewed the company's forecasts and projections and, in particular, have considered the potential implications of the Coronavirus (COVID-19) pandemic. Whilst the eventual financial impact of the pandemic on the company, and the overall economy, remains uncertain, the directors are confident that the company will be able to remain operational throughout the pandemic.

With the benefit of the government support packages available to help businesses through the pandemic, the directors have a reasonable expectation that the company will have adequate resources to continue in operational existence for the foreseeable future.

The company therefore continues to adopt the going concern basis in preparing its financial statements.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 78 (2019 - 90) .

4. INTANGIBLE FIXED ASSETS

	Goodwill £
COST	
At 1 January 2020	
and 31 December 2020	<u>6,005</u>
AMORTISATION	
At 1 January 2020	
and 31 December 2020	<u>6,005</u>
NET BOOK VALUE	
At 31 December 2020	<u>-</u>
At 31 December 2019	<u>-</u>

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

5. TANGIBLE FIXED ASSETS

	Plant and machinery etc £
COST	
At 1 January 2020	1,101,458
Additions	56,335
At 31 December 2020	<u>1,157,793</u>
DEPRECIATION	
At 1 January 2020	770,743
Charge for year	66,314
At 31 December 2020	<u>837,057</u>
NET BOOK VALUE	
At 31 December 2020	<u>320,736</u>
At 31 December 2019	<u>330,715</u>

Fixed assets, included in the above, which are held under finance leases are as follows:

	Plant and machinery etc £
COST	
At 1 January 2020	147,546
Additions	7,895
Transfer to ownership	(6,280)
At 31 December 2020	<u>149,161</u>
DEPRECIATION	
At 1 January 2020	41,092
Charge for year	18,282
Transfer to ownership	(2,357)
At 31 December 2020	<u>57,017</u>
NET BOOK VALUE	
At 31 December 2020	<u>92,144</u>
At 31 December 2019	<u>106,454</u>

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

6. **FIXED ASSET INVESTMENTS**

	Other investments £
COST	
At 1 January 2020	
and 31 December 2020	<u>15,713</u>
NET BOOK VALUE	
At 31 December 2020	<u>15,713</u>
At 31 December 2019	<u>15,713</u>

7. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	1,569,565	2,123,515
Amounts owed by group undertakings	-	5,080
Other debtors	<u>131,806</u>	<u>209,681</u>
	<u>1,701,371</u>	<u>2,338,276</u>

8. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Bank loans and overdrafts	46,667	15,737
Finance leases (see note 10)	35,480	35,644
Trade creditors	1,407,720	2,256,057
Amounts owed to group undertakings	573,439	484,419
Taxation and social security	25,976	35,069
Other creditors	<u>737,319</u>	<u>1,173,432</u>
	<u>2,826,601</u>	<u>4,000,358</u>

9. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2020 £	2019 £
Bank loans	353,333	-
Finance leases (see note 10)	<u>8,236</u>	<u>21,394</u>
	<u>361,569</u>	<u>21,394</u>

Amounts falling due in more than five years:

Repayable by instalments		
Bank loans more 5 yr by instal	<u>33,333</u>	<u>-</u>

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

10. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Finance leases	
	2020	2019
	£	£
Net obligations repayable:		
Within one year	35,480	35,644
Between one and five years	<u>8,236</u>	<u>21,394</u>
	<u>43,716</u>	<u>57,038</u>
	Non-cancellable operating leases	
	2020	2019
	£	£
Within one year	123,978	117,856
Between one and five years	<u>170,922</u>	<u>144,733</u>
	<u>294,900</u>	<u>262,589</u>

11. SECURED DEBTS

The following secured debts are included within creditors:

	2020	2019
	£	£
Bank overdraft	-	15,737
Bank loans	400,000	-
Finance leases	43,716	57,038
Invoice discounting creditor	<u>513,962</u>	<u>887,445</u>
	<u>957,678</u>	<u>960,220</u>

Finance leases are secured on the assets to which they relate.

The invoice discounting creditor is secured by way of a fixed and floating charge over all of the assets of the company.

The bank overdraft is secured by way of a debenture over all assets of the company.

The bank loan was gained under the government backed (CBILS) scheme. Therefore HM Government provide 80% security for the loan with the remaining 20% secured by way of a debenture over all assets of the company.

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

12. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
1,780	Ordinary	£1	1,780	1,780
1	A Ordinary	£1	1	1
1	B Ordinary	£1	1	1
1	C Ordinary	£1	1	1
			<u>1,783</u>	<u>1,783</u>

13. DISCLOSURE UNDER SECTION 444(5B) OF THE COMPANIES ACT 2006

The Report of the Auditors was unqualified.

David Holloway BA FCA DChA (Senior Statutory Auditor)
for and on behalf of Ribchesters Group Limited

14. EXCEPTIONAL ITEMS

In the year a provision of £36,096 (2019: £115,000) was made against amounts due from an associated company as the directors consider that there is a significant risk that this may not be recoverable.

In the year the company undertook a rationalisation of staffing costs. This was triggered following a review of business during the COVID-19 pandemic. This reorganisation lead to redundancy payments of £89,063 being incurred in the year.

15. RELATED PARTY DISCLOSURES

Mineral Insulated Cable Company Limited is a subsidiary of Trans-choice Limited. Trans-choice Limited and its subsidiary companies are a small group and therefore do not prepare consolidated financial statements. Trans-choice Limited's registered office is Ground Floor, Finchale House, Belmont Business Park, Durham, DH1 1TW.

Included within other creditors is a loan from Trans-choice Limited of £57,000 (2019: £57,000) This loan is interest free and repayable on demand.

During the year interest free loans to the company were maintained by the directors. The balances on these loans as at 31 December 2020 were £47,750 (2019: £87,700).

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.