Company Registration No. 05004893 (England and Wales)

ISOCOM COMPONENTS 2004 LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2017

PAGES FOR FILING WITH REGISTRAR

ISOCOM COMPONENTS 2004 LIMITED

COMPANY INFORMATION

Directors	Mr G C K Chu Mr J R Elvin Mr P J Gillespie Mr A G Hemming Mr C F Rowe
Secretary	Mr P J Gillespie
Company number	05004893
Registered office	Unit 25B Park View Road West Park View Industrial Estate Hartlepool TS25 1UD
Auditor	Prime Auditing Limited 2 Defender Court Sunderland Enterprise Park Sunderland Tyne & Wear SR5 3PE

ISOCOM COMPONENTS 2004 LIMITED

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ISOCOM COMPONENTS 2004 LIMITED

BALANCE SHEET

AS AT 30 JUNE 2017

	Notes	2017 £	2017 £	2016 £	2016 £
Fixed assets					
Tangible assets	3		180,989		227,654
Investments	4		8		8
			180,997		227,662
Current assets					
Stocks		838,126		676,012	
Debtors	5	1,305,455		763,648	
Cash at bank and in hand		1,671,971		1,617,969	
		3,815,552		3,057,629	
Creditors: amounts falling due within one year	6	(1,409,323)		(954,705)	
Net current assets			2,406,229		2,102,924
Total assets less current liabilities			2,587,226		2,330,586
Provisions for liabilities			(23,725)		(32,631)
Net assets			2,563,501		2,297,955
Capital and reserves					
Called up share capital	7		728		728
Capital redemption reserve			272		272
Profit and loss reserves			2,562,501		2,296,955
Total equity			2,563,501		2,297,955

The directors of the company have elected not to include a copy of the profit and loss account within the financial statements.

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

The financial statements were approved by the board of directors and authorised for issue on 27/3/18 and are signed on its behalf by:

P Gillespie

Mr P J Gillespie
Director

Company Registration No. 05004893

ISOCOM COMPONENTS 2004 LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2017

	Notes	Share capital	Capital redemption reserve	Profit and loss reserves	Total
		£	£	£	£
Balance at 1 July 2015		728	272	2,391,408	2,392,408
Year ended 30 June 2016:					
Profit and total comprehensive income for the year		-	-	805,547	805,547
Dividends		-	-	(900,000)	(900,000)
Balance at 30 June 2016		728	272	2,296,955	2,297,955
Year ended 30 June 2017:					
Profit and total comprehensive income for the year		-	-	865,546	865,546
Dividends		-	-	(600,000)	(600,000)
Balance at 30 June 2017		728	272	2,562,501	2,563,501

1 Accounting policies

Company information

Isocom Components 2004 Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 25B, Park View Road West, Park View Industrial Estate, Hartlepool, TS25 1UD.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

These financial statements for the year ended 30 June 2017 are the first financial statements of Isocom Components 2004 Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 July 2015. An explanation of how transition to FRS 102 has affected the reported financial position and financial performance is given in note 13.

The company has taken advantage of the exemption under section 399 of the Companies Act 2006 not to prepare consolidated accounts, on the basis that the group of which this is the parent qualifies as a small group. The financial statements present information about the company as an individual entity and not about its group.

1.2 Turnover

Turnover represents invoiced sales of goods and services manufactured and despatched during the period net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

1.3 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of *depreciation and any impairment losses.*

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Freehold	20 years
Plant and machinery	3 - 7 years
Fixtures, fittings & equipment	3 - 7 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

1 Accounting policies **(Continued)**

1.4 Fixed asset investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

1.6 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials costs.

Stocks held for distribution at no or nominal consideration are measured at the lower of replacement cost and cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

1.7 Cash at bank and in hand

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1 Accounting policies **(Continued)**

1.8 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 the 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 the 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, loans from fellow group companies 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.

1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

1 Accounting policies (Continued)

Deferred tax

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the lease asset are consumed.

1.14 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation are included in the profit and loss account for the period.

1.15 Debt factoring

Debts are factored on a full recourse basis for any losses. The full value of factored invoices are recognised in current liabilities and the corresponding outstanding debtor balance in trade debtors. Any recoveries by the factoring company in excess of amounts drawn down by the company are reflected in current assets.

Finance costs are recognised in the profit and loss account in the year they are incurred.

2 Employees

The average monthly number of persons (including directors) employed by the company during the year was 20 (2016 - 21).

3 Tangible fixed assets

	Land and buildings	Plant and machinery etc	Total
	£	£	£
Cost			
At 1 July 2016 and 30 June 2017	145,000	388,062	533,062
Depreciation and impairment			
At 1 July 2016	86,375	219,033	305,408
Depreciation charged in the year	7,250	39,415	46,665
At 30 June 2017	93,625	258,448	352,073
Carrying amount			
At 30 June 2017	51,375	129,614	180,989
At 30 June 2016	58,625	169,029	227,654

4 Fixed asset investments

	2017	2016
	£	£
Investments	8	8

All of the above represent investments in subsidiaries and these have been measured at cost less impairment.

5 Debtors

	2017	2016
Amounts falling due within one year:	£	£
Trade debtors	629,664	562,620
Other debtors	675,791	201,028
	1,305,455	763,648

6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	899,758	513,730
Corporation tax	243,750	194,233
Other taxation and social security	15,958	12,580
Other creditors	249,857	234,162
	1,409,323	954,705

All amounts owed, or to become owing to, Close Invoice Finance Limited are secured by an all assets debenture dated 27 April 2010 incorporating a fixed and floating charge over all current and future assets of the company.

7 Called up share capital

	2017	2016
	£	£
Ordinary share capital		
Issued and fully paid		
728 Ordinary shares of £1 each of £1 each	728	728
	728	728

8 Audit report information

As the income statement has been omitted from the filing copy of the financial statements the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006:

The auditor's report was unqualified.

The senior statutory auditor was Ralph Thoburn BA FCA.
The auditor was Prime Auditing Limited.

9 Operating lease commitments

Lessee
At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, as follows:

	2017	2016
	£	£
	15,599	16,780

10 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2017	2016
	£	£
Acquisition of tangible fixed assets	64,988	-

11 Related party transactions

Transactions with related parties
During the year the company entered into the following transactions with related parties:

Name of related party	Nature of relationship
Key management personnel	Director
Key management personnel	Director
Key management personnel	Director
Key management personnel	Director
Key management personnel	Director

	Description of transaction	Income 2017	Income 2016	Payments 2017	Payments 2016
		£	£	£	£
Key management personnel		-	-	-	-
Key management personnel		-	-	-	-
Key management personnel	Board meeting attendance fees	-	-	8,000	6,000
Key management personnel	Board meeting attendance fees	-	-	8,000	6,000
Key management personnel	Board meeting attendance fees	-	-	2,000	6,000

Non-executive directors charge fees to attend board meetings. Directors are re-imbursed expenses incurred to attend board meetings.

Sales and purchases of goods were at an arm's length commercial rate.

Amounts owed to/by related parties
The following amounts were outstanding at the reporting end date:

	Amount owed to 2017	Amount owed to 2016	Amounts owed by 2017	Amounts owed by 2016
	£	£	£	£
Key management personnel	49,910	49,910	-	-
Key management personnel	49,910	49,910	-	-
Key management personnel	49,910	49,910	-	-
Key management personnel	50,277	50,277	-	-
Key management personnel	-	-	-	-

All balances are interest free and repayable on demand.

No guarantees have been given or received.

11 Related party transactions **(Continued)**

12 Directors' transactions

Dividends totalling £600,000 (2016 - £900,000) were paid in the year in respect of shares held by the company's directors.

13 Reconciliations on adoption of FRS 102

Reconciliation of equity

	Notes	1 July 2015 £	30 June 2016 £
Equity as reported under previous UK GAAP		2,405,444	2,311,111
Adjustments arising from transition to FRS 102:			
Holiday pay accrual	(i)	(13,036)	(13,156)
Equity reported under FRS 102		2,392,408	2,297,955

Reconciliation of profit for the financial period

	Notes	2016 £
Profit as reported under previous UK GAAP		805,667
Adjustments arising from transition to FRS 102:		
Holiday pay accrual	(i)	(120)
Profit reported under FRS 102		805,547

Notes to reconciliations on adoption of FRS 102

(i) Short-term compensated absences

Prior to applying FRS 102, the company did not make provision for holiday pay (i.e. holiday earned but not taken prior to the year-end). FRS 102 requires the cost of short-term compensated absences to be recognised when employees render the service that increases their entitlement. Consequently an additional accrual of £13,036 at 1 July 2015 has been made to reflect this. The provision at 30 June 2016 had increased to £13,156 and the effect on profit for the year ended 30 June 2016 is an additional expense of £120.