

Financial Statements

Anord Mardix Critical Power Services Limited

For the financial year ended 31 December 2019



Registered number: 07615119

Company Information

Directors

David Gardner
David Hellier (appointed 21 February 2020)
Kevin Yamashita
Jeffrey Mark Drazan
Kevin Finegan (resigned 3 May 2019)
Timothy Heston
Shreyas Kataria (resigned 21 February 2020)
James Peacock
Alan Cooling (appointed 2 October 2019)

Company secretary

Alan Cooling (appointed 6 November 2019)
Kevin Yamashita (resigned 6 November 2019)

Registered number

07615119

Registered office

Castle Mills
Aynam Road
Kendal
Cumbria
LA9 7DE

Independent auditor

Grant Thornton
Chartered Accountants & Statutory Audit Firm
13-18 City Quay
Dublin 2

Bankers

HSBC
4 Hardman Square
Spinningfields
Manchester
ME3 3EB

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Directors' report

For the financial year ended 31 December 2019

The directors present their report and the financial statements for the financial year ended 31 December 2019.

Directors

The directors who served during the financial year and up to the date of signing this report are set out below.

David Hellier (appointed 21 February 2020)
David Gardner
Kevin Yamashita
Jeffrey Mark Drazan
Kevin Finegan (resigned 3 May 2019)
Timothy Heston
Shreyas Kataria (resigned 21 February 2020)
James Peacock
Alan Cooling (appointed 2 October 2019)

Future developments

On 31 January 2020, the United Kingdom (UK) left the European Union (EU). The UK government are continuing to negotiate foreign trade deals, although it is unknown what these terms will be.

The Company is a member of the Anord Mardix Group. The Anord Mardix Group ("the Group") has considered the possible effects of the current coronavirus crisis on its business. The Group is considered a provider of essential service which is the manufacture of products necessary for the supply chain of essential services; computer, electronic and optical products including semi-conductors; electrical equipment, machinery and other equipment. The government also recognises that many companies, including the Anord Mardix Group, are critical to global supply chains that are responding to the COVID-19 crisis, and these companies, perform critical global roles in other aspects of medicine, as well as security, cyber, cloud and data centre infrastructure. The Group remains open, in business and contingency plans have been put in place to ensure it can continue during this period.

The Group recognise that there will be some disruption to service however after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence.

The directors acknowledge that uncertainty around these issues exist and having considered this, believe it is still appropriate to prepare the financial statements on a going concern basis.

Disclosure of information to auditor

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

The auditor, Grant Thornton, have expressed their willingness to continue in office in accordance with section 485 of the Companies Act 2006.

Directors' report (continued)

For the financial year ended 31 December 2019

Small companies note

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board and signed on its behalf.



.....
Alan Cooling
Director

Date: 8 July 2020

Directors' responsibilities statement

For the financial year ended 31 December 2019

The directors are responsible for preparing the 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 the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 year.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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 to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board and signed on its behalf.



.....
Alan Cooling
Director

Date: 8 July 2020

Independent auditor's report to the members of Anord Mardix Critical Power Services Limited

Opinion

We have audited the financial statements of Anord Mardix Critical Power Services Limited, which comprise the Statement of comprehensive income, the Statement of financial position for the financial year ended 31 December 2019, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion, Anord Mardix Critical Power Services Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company as at 31 December 2019 and of its financial performance for the financial year then ended; 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') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor 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 United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our 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.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Independent auditor's report to the members of Anord Mardix Critical Power Services Limited (continued)

Other information

Other information comprises the information included in the annual report, other than the financial statements and our Auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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.

Independent auditor's report to the members of Anord Mardix Critical Power Services Limited (continued)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment we have 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:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- 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; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report or in preparing the Directors' report.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 as adopted by the European Union, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the members of Anord Mardix Critical Power Services Limited (continued)

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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 their 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.

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.

The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.



Independent auditor's report to the members of Anord Mardix Critical Power Services Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.

A handwritten signature in black ink that reads "Stephen Murray".

Stephen Murray (Senior statutory auditor)
for and on behalf of

Grant Thornton
Chartered Accountants
& Statutory Audit Firm
Dublin 2

Date: 10 July 2020

Statement of comprehensive income

For the financial year ended 31 December 2019

	Note	2019 £	2018 £
Turnover		5,418,376	5,018,008
Cost of sales		(2,263,141)	(2,589,994)
Gross profit		3,155,235	2,428,014
Administrative expenses		(1,309,972)	(1,223,422)
Operating profit	4	1,845,263	1,204,592
Tax on profit	7	(350,707)	(228,873)
Profit for the financial year		1,494,556	975,719

All amounts relate to continuing operations.

There was no other comprehensive income for 2019 (2018: £NIL).

The notes on pages 11 to 22 form part of these financial statements.

Anord Mardix Critical Power Services Limited
Registered number:07615119

Statement of financial position

As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
Fixed assets					
Tangible fixed assets	8		21,819		25,486
			21,819		25,486
Current assets					
Debtors: amounts falling due within one year	9	7,739,207		6,626,494	
Bank and cash balances	10	321,478		175,517	
		8,060,685		6,802,011	
Current liabilities					
Creditors: amounts falling due within one year	11	(4,185,926)		(4,425,475)	
Net current assets			3,874,759		2,376,536
Net assets			3,896,578		2,402,022
Capital and reserves					
Called up share capital	13		2		2
Profit and loss account	14		3,896,576		2,402,020
			3,896,578		2,402,022

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and in accordance with the provisions of FRS 102 Section 1A – Small Entities.

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



.....
Alan Cooling
 Director

Date: 8 July 2020

The notes on pages 11 to 22 form part of these financial statements.

Notes to the financial statements

For the financial year ended 31 December 2019

1. General information

Anord Mardix Critical Power Services Limited is a private company limited by shares, with a registered address at Castle Mills, Anyam Road, Kendal, Cumbria, LA9 7DE.

The Company is tax resident in the United Kingdom.

The Company's principal activity is the servicing and sale of switchgear.

2. Accounting policies

2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable accounting standards, including Section 1A of Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS 102'), and with the Companies Act 2006.

The financial statements have been prepared on the historical cost basis except for the modifications to a fair value basis for certain financial instruments as specified in the accounting policies below.

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 (see Note 3).

The following principal accounting policies have been applied:

2.2 Going concern

After reviewing the Company's forecasts and projections, the directors have a reasonable expectation that the Company has 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.

Notes to the financial statements

For the financial year ended 31 December 2019

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.

Notes to the financial statements

For the financial year ended 31 December 2019

2. Accounting policies (continued)

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP (£).

Transactions and balances

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

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of comprehensive income except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

2.5 Interest receivable and payable

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

Finance costs are charged to the Statement of comprehensive income 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.

Notes to the financial statements

For the financial year ended 31 December 2019

2. Accounting policies (continued)

2.6 Taxation

Tax is recognised in the Statement of comprehensive income, 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.

2.7 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:

Plant and machinery	- 10-33%
Motor vehicles	- 25%

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

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

Notes to the financial statements

For the financial year ended 31 December 2019

2. Accounting policies (continued)

2.8 Impairment of assets

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in the statement of comprehensive income.

If an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income.

2.9 Debtors

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

2.10 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.

2.11 Creditors

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

2.12 Financial instruments

The Company only enters into basic financial instruments 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 non-puttable 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 financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Notes to the financial statements

For the financial year ended 31 December 2019

2. Accounting policies (continued)

2.12 Financial instruments (continued)

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 amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

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 balance sheet date.

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

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The judgments, estimates and assumptions used in the financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the financial statements. Actual results could differ from these estimates, and the effect of any change in estimates will be adjusted in the financial statements when they become reasonably determinable.

Judgments, estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under these circumstances.

Judgments

In the process of applying the company's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Useful lives of tangible and intangible assets

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The director annually reviews these asset lives and adjusts them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned.

Estimates and Assumptions

The key estimates and assumptions concerning the future and other key sources of estimation uncertainty at the financial reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Notes to the financial statements

For the financial year ended 31 December 2019

3. Judgments in applying accounting policies (continued)

Allowance for impairment of trade receivables

The Company estimates the allowance for doubtful trade receivables based on assessment of specific accounts where the Company has objective evidence comprising default in payment terms or significant financial difficulty that certain customers are unable to meet their financial obligations. In these cases, judgment used was based on the best available facts and circumstances including but not limited to, the length of relationship. A provision amounting to £Nil was included in the 31 December 2019 financial statements (2018: £50,000).

4. Operating profit

The operating profit is stated after charging/ (crediting):

	2019	2018
	£	£
Exchange differences	(133)	2,631
Depreciation of tangible fixed assets	6,357	12,865
Gain on disposal of tangible fixed asset	(2,224)	-
	<u> </u>	<u> </u>

5. Employees

There are no employees of Anord Mardix Critical Power Services Limited other than its directors. All staff are employed by other group companies.

6. Directors remuneration

The directors are employed by other group companies and therefore any remuneration is borne by those group companies. Directors' costs of £NIL (2018: £NIL) have been borne by Anord Mardix (UK) Limited and recharged to Anord Mardix Critical Powers Services Limited.

Notes to the financial statements

For the financial year ended 31 December 2019

7. Taxation

	2019 £	2018 £
Corporation tax		
Current tax on profits for the year	350,707	228,873
Taxation on profit on ordinary activities	350,707	228,873

Factors affecting tax charge for the financial year

The tax assessed for the financial year is higher than (2018 -higher than) the profit for the year multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before tax	1,845,263	1,204,592
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 -19%)	350,600	228,872
Effects of:		
Expenses/ (income) not deductible for tax purposes	3,663	(1,187)
Difference between capital allowances and depreciation for financial year	164	1,188
Group relief claimed	(3,720)	-
Total tax charge for the financial year	350,707	228,873

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

Notes to the financial statements

For the financial year ended 31 December 2019

8. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Total £
Cost or valuation			
At 1 January 2019	27,454	50,600	78,054
Additions	5,299	-	5,299
Disposals	-	(23,200)	(23,200)
At 31 December 2019	32,753	27,400	60,153
Depreciation			
At 1 January 2019	7,657	44,911	52,568
Charge for the financial year on owned assets	3,277	3,080	6,357
Disposals	-	(20,591)	(20,591)
At 31 December 2019	10,934	27,400	38,334
Net book value			
At 31 December 2019	21,819	-	21,819
At 31 December 2018	19,797	5,689	25,486

Notes to the financial statements

For the financial year ended 31 December 2019

9. Debtors: Amounts falling due within one year

	2019 £	2018 £
Trade debtors	1,285,988	3,216,562
Amounts owed by group undertakings	6,397,768	3,312,375
Prepayments	55,451	97,557
	<u>7,739,207</u>	<u>6,626,494</u>

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

10. Cash and cash equivalents

	2019 £	2018 £
Cash at bank and in hand	<u>321,478</u>	<u>175,517</u>

11. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	374,204	311,556
Amounts owed to group undertakings	3,205,861	2,763,544
Corporation tax	-	149,500
Other taxation and social security	171,744	457,600
Accruals	254,319	552,433
Deferred income	179,798	190,842
	<u>4,185,926</u>	<u>4,425,475</u>

Trade creditors, including accruals, are repayable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

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

Taxation, including corporation tax and other tax, are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

The terms of deferred income are based on their underlying contracts.

Notes to the financial statements

For the financial year ended 31 December 2019

12. Bank Security

Glas Trust Corporation Limited holds a floating charge over all property or undertaking of the Company. The charge was registered on 15 February 2018.

13. Share capital

	2019	2018
	£	£
Allotted, called up and fully paid		
2 Ordinary shares of £1.00 each	2	2

14. Reserves

Share Capital

Represents the nominal value of shares that have been issued

Profit and loss account

Includes all current and prior period retained profit and losses

15. Related party transactions

The Company has availed of the exemption provided in FRS 102. Section 33, "Related Party Disclosures" not to disclose transactions entered into with fellow group companies that are wholly owned within the group of companies of which the Company is a wholly owned member.

Notes to the financial statements

For the financial year ended 31 December 2019

16. Post balance sheet events

On 31 January 2020, the United Kingdom (UK) left the European Union (EU). The UK government are continuing to negotiate foreign trade deals, although it is unknown what these terms will be.

The Company is a member of the Anord Mardix Group. The Anord Mardix Group ("the Group") has considered the possible effects of the current coronavirus crisis on its business. The Group is considered a provider of essential service which is the manufacture of products necessary for the supply chain of essential services; computer, electronic and optical products including semi-conductors; electrical equipment, machinery and other equipment. The government also recognises that many companies, including the Anord Mardix Group, are critical to global supply chains that are responding to the COVID-19 crisis, and these companies, perform critical global roles in other aspects of medicine, as well as security, cyber, cloud and data centre infrastructure. The Group remains open, in business and contingency plans have been put in place to ensure it can continue during this period.

The Group recognise that there will be some disruption to service however after making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence.

The directors acknowledge that uncertainty around these issues exist and having considered this, believe it is still appropriate to prepare the financial statements on a going concern basis.

17. Controlling party

The Company is a subsidiary undertaking of Mardix Holdings Limited, a company registered in the United Kingdom. The ultimate controlling party is ACS Acquisitions, Inc., a company registered in the United States of America.

The Company is included in the consolidated financial statements of Anord Mardix Acquisitions Limited, forming the smallest body of undertakings of which the company forms a part as a subsidiary undertaking. The registered office of Anord Mardix Acquisitions Limited is located at C/O A&L Goodbody Solicitors, Augustine House, 6a Austin Friars, London, EC2N 2HA and the consolidated financial statements are publicly available at Companies House, Crown Way, Cardiff, CF14 3UZ.

The Company is also included in the consolidated financial statements of ACS Acquisitions, Inc., the ultimate parent undertaking and controlling party incorporated in the United States of America, forming the largest body of undertakings of which the Company forms a part as a subsidiary undertaking. The registered office of ACS Acquisitions, Inc. is located at 3930 Technology Court, Sandston, VA 23150, United States.

The consolidated financial statements of ACS Acquisitions Inc. are not publicly available.

The controlling interest in ACS Acquisitions, Inc. are held by Bertram Growth Capital III L.P. and Bertram Growth Capital III-A L.P.