

**INCAP HOLDINGS UK LTD (FORMERLY DEKE
HOLDINGS LIMITED)**

**REPORT AND FINANCIAL STATEMENTS
FOR THE PERIOD ENDED 31 DECEMBER 2020**

Registered Number 08266630 (England and Wales)



INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

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FOR THE PERIOD ENDED 31 DECEMBER 2020

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INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

DIRECTORS AND ADVISORS

FOR THE PERIOD ENDED 31 DECEMBER 2020

Directors	OR Pukk A Pynnönen
Principal and Registered Office	Croft Road Industrial Estate Newcastle Staffordshire ST5 0TW
Company Registration Number	08266630 (England and Wales)
Independent Auditor	RSM UK Audit LLP Suite A 7 th Floor East West Building 2 Tollhouse Hill Nottingham NG1 5FS

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

STRATEGIC REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present the strategic report and financial statements for the 18-month period ended 31 December 2020.

Business review

Following the acquisition of the AWS group of companies by Incap Oyj in the period, the entity extended its reporting period to 31 December to align with its year end with its new ultimate parent.

As a result of the acquisition by Incap Oyj the Company incurred one-off costs of £1,020,000 associated with the buy-out of a historic bank warrant and other costs of £280,089.

Following the acquisition funding has been received from Incap Oyj which has enabled the Company to repay the Company's loan facility.

The Company continues to hold investments in a trading group. The directors are pleased with the profitable performance of the subsidiary companies in the period.

Principal risks and uncertainties

As a holding entity the Company is reliant on the success of its trading subsidiaries, the principal risks and uncertainties faced by these are:

- Our success is dependent on the success of our customers. The Group has a broad range of customers serving a wide range of market sectors. Our ability to maintain and grow the customer base is closely linked to the quality of the manufacturing service provided. The Group takes all reasonable steps to ensure quality standards are maintained.
- The Group trades in Sterling, Euros and US Dollars, being net generative in Sterling, net using in Euros and marginal in US Dollars. Consequently, significant changes in exchange rates can impact the profitability of the business. Brexit has led to an increased volatility in exchange rates.

Key performance indicators

The Company has limited key performance indicators, the main focus of the Company is the results of its investments which it will continue to monitor. This is considered via impairment reviews performed by management as deemed applicable.

Financial instruments

The Company is subject to limited financial instrument risk given its limited activity.

This report was approved by the board on 15 July 2021 and signed on its behalf.



OR Pukk
Director

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

DIRECTORS' REPORT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors present their report and the financial statements for the 18-month period ended 31 December 2020.

The Company has not disclosed the following sections of the Director's Report "Future developments and financial instruments" as these have been included in the Strategic Report under S414C (11).

Principal activities

The principal activity of the Company for the period was that of a holding company.

Results

The loss for the 18-month period, after taxation, amounted to £1,717,294 (year ended 30 June 2019: £275,268).

Directors

The directors who served during the period, and up to the date of signature of the financial statements, were as follows:

P Deehan (resigned 22 January 2020)
AS Keane (resigned 22 January 2020)
OR Pukk (appointed 22 January 2020)
A Pynnönen (appointed 22 January 2020)

Third party indemnity provision for directors

Qualifying third party indemnity provision is in place for the benefit of all directors of the Company.

Strategic report

The Company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report, in respect of a fair review of the business, future developments and its principal risks and uncertainties.

Auditor

RSM UK Audit LLP have indicated their willingness to be appointed for another term, and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they are re-appointed will be put at a General Meeting.

Provision of information to the auditor

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

- so far as that director is aware, there is no relevant audit information of which the Company auditor is unaware; and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the Company auditor in connection with preparing their report and to establish that the Company auditor is aware of that information.

This report was approved by the board on

15 July 2021 and signed on its behalf.



OR Pukk
Director

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE PERIOD ENDED 31 DECEMBER 2020

The directors are responsible for preparing the strategic report and 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 period. Under that law the directors have elected to prepare the Company financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 for that period.

In preparing these financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; 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 to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

Opinion

We have audited the financial statements of Incap Holdings UK Ltd (formerly DEKE Holdings Limited) (the 'Company') for the 18-month period ended 31 December 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

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.

Other information

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

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 or apparent material misstatements, 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 parent company 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

Neil Stephenson (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Suite A, 7th Floor
East West Building
2 Tollhouse Hill
Nottingham
NG1 5FS
15 July 2021

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 DECEMBER 2020**

	Note	18-month period ended 31 December 2020 £'000	Year ended 30 June 2019 £'000
Administrative expenses		(449)	(3)
OPERATING LOSS		(449)	(3)
Interest payable and similar expenses	4	(1,268)	(272)
LOSS BEFORE TAXATION	5	(1,717)	(275)
Taxation	6	-	-
LOSS AND TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(1,717)	(275)

The notes on pages 10 to 17 form part of these financial statements.

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)
REGISTERED NUMBER: 08266630

STATEMENT OF FINANCIAL POSITION

FOR THE PERIOD ENDED 31 DECEMBER 2020

		31 December 2020		30 June 2019	
	Note	£'000	£'000	£'000	£'000
FIXED ASSETS					
Investments	7		6,533		6,533
CURRENT ASSETS					
Debtors	9	-		8	
Cash at bank and in hand		-		4	
				12	
CURRENT LIABILITIES					
Creditors: amounts falling due within one year	10	(3,923)		(5,148)	
NET CURRENT LIABILITIES			(3,923)		(5,136)
TOTAL ASSETS LESS CURRENT LIABILITIES			2,610		1,397
Creditors: amounts falling due after more than one year	11		(4,230)		(1,300)
NET (LIABILITIES)/ASSETS			(1,620)		97
CAPITAL AND RESERVES					
Called up share capital	12		-		-
Profit and loss account			(1,620)		97
TOTAL EQUITY			(1,620)		97

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 July 2021.



OR Pukk
Director

The notes on pages 10 to 17 form part of these financial statements.

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)
REGISTERED NUMBER: 08266630

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD ENDED 31 DECEMBER 2020

	Called up share capital £'000	Profit and loss account £'000	Total £'000
Balance at 1 July 2018	-	372	372
Loss for the year	-	(275)	(275)
	<hr/>	<hr/>	<hr/>
Balance at 30 June 2019	-	97	97
	<hr/>	<hr/>	<hr/>
Loss for the 18-month period	-	(1,717)	(1,717)
	<hr/>	<hr/>	<hr/>
Balance at 31 December 2020	-	(1,620)	(1,620)
	<hr/>	<hr/>	<hr/>

The notes on pages 10 to 17 form part of these financial statements

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

1. ACCOUNTING POLICIES

General information

Incap Holdings UK Ltd (formerly DEKE Holdings Limited) ("the Company") is a private company, limited by shares, and is registered, domiciled and incorporated in England. The Company changed its name from DEKE Holdings Limited on 20 April 2020.

The address of the Company's registered office and principal place of business is included on page 1. The Company's principal activities and nature of operations are included in the directors' report.

Basis of Accounting

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' (FRS 102) and the requirements of the Companies Act 2006, and under the historical cost convention, modified to include certain financial instruments at fair value.

Monetary amounts in these financial statements are rounded to the nearest whole £1, except where otherwise indicated.

During the period the Company extended its reporting period to the 31 December resulting in these results being for an 18 month period. As a result of this change the results will not be directly comparable to the prior year which was for a 12 month period.

The Company has taken advantage of the exemption in section 400 of the Companies Act 2006 from the requirement to prepare consolidated financial statements. Consequently these financial statements present the financial position and financial performance of the Company as a single entity.

Reduced disclosures

The Company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS 102:-

- Section 7 'Statement of Cash Flows' – Presentation of a Statement of Cash Flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' – Interest income/expense and net gains/losses for financial instruments measured at amortised cost, loan defaults or breaches, and descriptions of hedging relationships;
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Incap Oyj and are available from their registered office (see note 15).

Going concern

The directors have assessed the financial position of the Company. In assessing the going concern of the business they have considered the projected future trading and cash flows of the wider group. The Company has net liabilities at the period end, of which the majority of this debt is due to the Company's parent company Incap Oyj. Incap Oyj has confirmed to the directors that it will provide support as required in order for the Company to meet its liabilities. Based on the above steps the directors have concluded that it is appropriate to present the financial statements on a going concern basis, as they consider that the Company will continue as a going concern for a period of at least 12 months from the date of approval of these financial statements.

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

Functional and presentational currencies

The consolidated financial statements are presented in sterling which is also the functional currency of the Company.

Foreign currencies

Transactions in currencies other than the functional currency (foreign currencies) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the reporting date.

Exchange gains and losses are taken to profit or loss.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current tax is based on taxable profit for the year. Taxable profit differs from total comprehensive income because it excludes items of income or expense that are taxable or deductible in other periods. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date. Deferred tax is not discounted.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income or expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the Company is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on differences between the value of assets (other than goodwill) and liabilities recognised in a business combination and the amounts that can be deducted or assessed for tax. The deferred tax recognised is adjusted against goodwill.

Current and deferred tax is charged or credited in profit or loss.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses.

Interests in subsidiaries are assessed for impairment at each reporting date. Any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term liquid investments with original maturities of three months or less.

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, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument, and are offset only when the Company currently has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets

Other debtors

Other debtors which are receivable within one year are initially measured at the transaction price. Other debtors are subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

Financial liabilities and equity

Financial instruments are classified as liabilities and equity instruments 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.

Equity instruments

Financial instruments classified as equity instruments are recorded at the fair value of the cash or other resources received or receivable, net of direct costs of issuing the equity instruments.

Other creditors

Other creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Borrowings

Borrowings are initially recorded at transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and other expenses.

Derecognition of financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or substantially all the risks and rewards of ownership are transferred to another party, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

2. CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The estimates and assumptions 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.

Key sources of estimation uncertainty

The estimates and assumptions which could lead to a material adjustment to the carrying amount of assets and liabilities are as follows:

Impairment of investments

The carrying value of investments, where any impairment review is triggered, is based on value in use which requires estimates in respect of the future cash flows and an appropriate discount rate. The key inputs to the value in use calculations are the discount rate and the future earnings growth of the trading subsidiary companies.

3. EMPLOYEES

The average monthly number of persons (including the directors) employed during the period was:

	31 December 2020 Number	30 June 2019 Number
Directors	<u>2</u>	<u>2</u>

DIRECTORS REMUNERATION

The following remuneration has been paid in respect of the directors of the company:

	18-month period ended 31 December 2020 £'000	Year ended 30 June 2019 £'000
Remuneration	341	400
Company pension contributions to defined contribution pension schemes	<u>-</u>	<u>42</u>
	<u>341</u>	<u>442</u>

During the year retirement benefits were accruing to no directors (2019: 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £207,587 (2019: £238,556).

The value of the company's contribution to a money purchase pension scheme in respect of the highest paid director amounted to £nil (2019: £26,199).

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

4. INTEREST PAYABLE AND SIMILAR EXPENSES

	18-month period ended 31 December 2020 £'000	Year ended 30 June 2019 £'000
Cost of warrant buy-out (See note 5)	1,020	-
On bank loans, overdrafts and invoice discount facilities	86	267
On group borrowings	159	-
Other interest payable	3	5
	<u>1,268</u>	<u>272</u>

As a result of the acquisition by Incap Oyj a payment was made to the Company's bankers to release an historic bank warrant.

5. LOSS BEFORE TAXATION

The audit remuneration in respect of the Company is borne by Incap Electronics UK Limited.

Included in loss before tax are exceptional costs of £1,267,886 (2019: £nil) as a result of the acquisition by Incap Oyj. This includes one-off costs of £1,020,000 associated with the buy-out of a historic bank warrant and costs of £280,089 relating to one-off costs arising from the acquisition by Incap Oyj.

6. TAXATION

	18-month period ended 31 December 2020 £'000	Year ended 30 June 2019 £'000
Current tax		
UK corporation tax	-	-
Adjustments in respect of prior periods	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Origination and reversal of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Tax expense	<u>-</u>	<u>-</u>

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

Factors affecting tax charge for the period

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

	18-month period ended 31 December 2020 £'000	Year ended 30 June 2019 £'000
Loss before tax	(1,717)	(275)
Loss multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	(326)	(52)
Effects of:		
Expenses not deductible	194	-
Group relief surrendered	132	52
Total tax expense	-	-

7. INVESTMENTS

	Investments in subsidiary companies £'000
Cost and carrying amount	
At 1 July 2019 and 31 December 2020	6,533

8. SUBSIDIARY UNDERTAKINGS

The Company's subsidiary undertakings are:

Name of undertaking	Registered office	Percentage Shareholding of ordinary shares	Nature of business
Incap Electronics Group UK Ltd (formerly AWS Electronics Group Limited)	Croft Road Industrial Estate, Newcastle, Staffordshire, ST5 OTW	100% direct	Holding company
Incap Electronics UK Ltd (formerly AWS Electronics Limited)	Croft Road Industrial Estate, Newcastle, Staffordshire, ST5 OTW	100% indirect	Manufacture of electronic equipment
Incap Electronics Slovakia s.r.o. (formerly AWS Slovakia s.r.o.)	Vavrecka 311, 02901 Namestovo, Slovakia	100% indirect	Manufacture of electronic equipment

During the prior year the Group dissolved its dormant subsidiaries, Jantec Electronic Services Limited and Cemgraft Limited.

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

9. DEBTORS

	31 December 2020 £'000	30 June 2019 £'000
<i>Amounts falling due within one year:</i>		
Prepayments and accrued income	-	8
	<u>-</u>	<u>8</u>

10. CREDITORS: Amounts falling due within one year

	30 December 2020 £'000	30 June 2019 £'000
Bank loans	-	525
Directors' loans	-	100
Amounts owed to Group undertakings	3,923	4,520
Other taxation and social security	-	1
Accruals and deferred income	-	2
	<u>3,923</u>	<u>5,148</u>

Bank loans of the Company amounting to £nil (2019: £1,825,000) are secured by fixed and floating charges over all current and future assets of the Company and cross guarantees between the UK companies within the Incap Holdings UK Ltd group.

The majority of the amounts owed to group undertakings is interest free and repayable on demand. £1,409,985 incurs interest and is payable in instalments as documented in note.11.

11. CREDITORS: Amounts falling due after more than one year

	31 December 2020 £'000	30 June 2019 £'000
Amounts owed to Group undertakings	4,230	-
Bank loans	-	1,300
	<u>4,230</u>	<u>1,300</u>

Bank loans of the Company are secured by fixed and floating charges over all current and future assets of the Group and cross guarantees between the UK companies within the Incap Holdings UK Ltd group.

The borrowings in respect of Group undertakings are payable in quarterly instalments over 5 years. The average interest is due on these loans is 3.24% plus the EURO Libor rate.

INCAP HOLDINGS UK LTD (FORMERLY DEKE HOLDINGS LIMITED)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2020

12. SHARE CAPITAL AND RESERVES

	31 December 2020 £'000	30 June 2019 £'000
Shares classified as capital:		
Allotted, issued and outstanding		
1,000 Ordinary shares of 1p each	-	-

In the prior year there was a share warrant in issue to subscribe for 1 B ordinary share of 1p at par value. This was released in the period (See note 5 for further detail).

12. SHARE CAPITAL AND RESERVES (CONTINUED)

Ordinary share rights

The Company's ordinary shares, which carry no right to fixed income, each carry the right to one vote at general meetings of the Company.

RESERVES

The reserves of the Company represent the following:

Profit and loss account

Cumulative profit and loss net of distribution to owners.

13. CONTINGENT LIABILITIES

The Company has guaranteed the borrowings of its subsidiary undertakings. At 30 June 2020 potential liabilities under this arrangement are £99,631 (2019: £4,347,969). The guarantee is secured by a debenture over the assets of the Company.

In addition to the above the Company is part of a VAT Group. The maximum liability of this to the Company at the period end is £388,848 (2019: £231,828).

14. RELATED PARTY TRANSACTIONS

During the period the Company repaid the directors loans of £100,000. Included within creditors due within than one year are amounts due to P Deehan amounting to £nil (2019: £85,700) and amounts due to AS Keane amounting to £nil (2019: £14,300). Both amounts were secured by a fixed and floating charge and attracted interest of 8% per annum. The interest for the period ended 30 June 2020 prior to repayment has been waived by the directors.

15. ULTIMATE CONTROLLING PARTY

The directors consider the ultimate and immediate parent undertaking to be Incap Oyj, a company incorporated in Finland, and is the largest and smallest company for which consolidated accounts including Incap Holdings UK Ltd (formerly DEKE Holdings Limited) are prepared. The consolidated accounts of Incap Oyj are available from its registered office, Bulevardi 21, Entrance Albertinkatu 25A, 00180 Helsinki, Finland.