

Company Registration No. 08266630 (England and Wales)

INCAP HOLDINGS UK LIMITED
ANNUAL REPORT AND FINANCIAL
STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021



INCAP HOLDINGS UK LIMITED

COMPANY INFORMATION

Directors	Otto Pukk Antti Pynnönen
Company number	08266630
Registered office	Croft Road Industrial Estate Newcastle Staffordshire ST5 0TW
Auditor	RSM UK Audit LLP Chartered Accountants Festival Way Festival Park Stoke on Trent ST1 5BB

INCAP HOLDINGS UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present the strategic report and financial statements for the year ended 31 December 2021.

Review of the business

During the period the UK group undertook a restructure resulting in the hive up of the entities investments from Incap Electronics Group UK Limited to Incap Holdings UK. A dividend was paid of £2,709k (2020: £nil) to the entity as part of this process. Subsequent to this the ownership of the investment in AWS Slovakia s.r.o. was transferred from the Company to Incap Oyj. Incap Electronics Group UK Limited has subsequently been liquidated post year end following the restructure. These transactions resulted in the increase of investments as a result of the restructure of £11,664k followed by a subsequent impairment of the total investment of £9,647k as a result of the transfer of the Slovakian trading entity out of the group.

The company continues to hold an investment in Incap Electronics UK Limited and the directors are pleased with the profitable performance of the subsidiary company in the year.

Principal risks and uncertainties

As a holding entity the Company is reliant on the success of its trading subsidiary, 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 rate can impact the profitability of the business. Brexit has led to an increased volatility in exchange rate.

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 risk given its limited activity.

On behalf of the board



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Otto Pukk
Director

21/04/22
Date:

INCAP HOLDINGS UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

The directors present their annual report and financial statements for the year ended 31 December 2021.

The previous accounts were prepared for the 18 month period ended 31 December 2020.

These are the first published financial statements of the Company prepared in accordance with Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). The financial statements were previously prepared under FRS 102 "the Financial Reporting Standard applicable in the UK and the Republic of Ireland ("FRS 102").

Principal activities

The principal activity of the Company is that of a holding company.

Results and dividends

During the year no dividends were paid. The directors do not recommend any final dividend for 2021 (2020: £nil).

Directors

The directors who held office during the year and up to the date of the date of signature of the financial statements were as follows:

Otto Pukk
Antti Pynnönen

Qualifying third party indemnity provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the reporting date.

Auditor

In accordance with section 485 of the Companies Act 2006, the auditors, RSM UK LLP, will continue in office.

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

On behalf of the board



.....
Otto Pukk
Director

21/04/22
Date:

INCAP HOLDINGS UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Strategic Report, 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 101: Reduced Disclosure Framework ("FRS 101"). 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 or of the Company 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;
- 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 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 LIMITED

Opinion

We have audited the financial statements of Incap Holdings UK Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 101 "Reduced Disclosure Framework" (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 2021 and of its loss for the year 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 company 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

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 contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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 obtained in the course of the audit, we have not identified material misstatements in the strategic report or 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, 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 a 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 it is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit. In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit. However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF INCAP HOLDINGS UK LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 101, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, inspecting correspondence, where applicable, with local tax authorities and evaluating advice received from external tax advisors.

The audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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.

Christopher Phillips

Christopher Phillips (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Festival Way
Festival Park
Stoke on Trent
ST1 5BB

21/04/22

INCAP HOLDINGS UK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

		Year ended 31 December 2021 £	18-month period ended 31 December 2020 £
	Notes		
Administrative expenses		-	(449,255)
Exceptional item - impairment		(9,647,000)	-
Operating loss	4	(9,647,000)	(449,255)
Investment income	5	2,709,000	-
Finance costs	6	(156,663)	(1,268,000)
Loss before taxation		(7,094,663)	(1,717,255)
Tax on loss	7	-	-
Loss and total comprehensive income for the financial period		(7,094,663)	(1,717,255)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Dividend in specie		11,664,162	-
Total items that will not be reclassified to profit or loss		11,664,162	-
Total other comprehensive income for the year		11,664,162	-
Total comprehensive income for the year		4,569,499	(1,717,255)

There were no items of other comprehensive income in either period other than the loss shown above. No separate statement of total comprehensive income has therefore been presented.

The notes on pages 9 to 16 form an integral part of these financial statements.

INCAP HOLDINGS UK LIMITED**STATEMENT OF FINANCIAL POSITION****AS AT 31 DECEMBER 2021**

	Notes	2021 £	2020 £
Fixed assets			
Investments	8	8,545,658	6,533,267
Current assets			
Trade and other receivables	10	10	10
Cash and cash equivalents		-	23
		10	33
Creditors: amounts falling due within one year			
Trade and other payables	11	(654,241)	(3,923,296)
Net current liabilities		(654,231)	(3,923,263)
Total assets less current liabilities		7,891,427	2,610,004
Creditors: amounts falling due after more than one year			
Trade and other payables	11	(4,946,695)	(4,230,000)
Net assets/(liabilities)		2,944,732	(1,619,996)
Equity			
Called up share capital	12	10	10
Retained earnings		2,944,722	(1,620,006)
Total equity		2,944,732	(1,619,996)

The financial statements were approved by the board of directors and authorised for issue on 21/04/22
and are signed on its behalf by:



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Otto Pukk
Director

INCAP HOLDINGS UK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital £	Retained earnings £	Total £
Balance at 1 July 2019	10	97,249	97,259
Period ended 31 December 2020:			
Loss and total comprehensive income for the period	-	(1,717,255)	(1,717,255)
Balance at 31 December 2020	10	(1,620,006)	(1,619,996)
Year ended 31 December 2021:			
Loss and total comprehensive income for the year	-	(7,094,663)	(7,094,663)
Other comprehensive income:			
Dividend in specie	-	11,664,162	11,664,162
Total comprehensive income for the year	-	4,569,499	4,569,499
Distribution	-	(4,771)	(4,771)
Balance at 31 December 2021	10	2,944,722	2,944,732

INCAP HOLDINGS UK LIMITED

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

1 Accounting policies

Company information

The financial statements comprising the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity and the related notes constitute the individual financial statements of Incap Holdings UK Limited for the financial year ended 31 December 2021.

Incap Holdings UK Limited is a private Company limited by shares incorporated in England and Wales. The registered office is Croft Road Industrial Estate, Newcastle, Staffordshire, ST5 0TW.

The company's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

The financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

In preparing these financial statements, the Company applies the recognition and measurement requirements of UK-adopted International Financial Reporting Standards, amended where necessary in order to comply with Companies Act 2006.

These financial statements are the first financial statement of Incap Holdings UK Limited prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101"). The financial statements of Incap Holdings UK Limited for the 18 month period ended 31 December 2020 were prepared in accordance with the Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102").

Some of the FRS 101 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from FRS 102. Consequently, the directors have amended certain accounting policies to comply with FRS 101.

The reported financial position and financial performance for the previous period are not affected by the transition to FRS 101.

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 are presented in sterling which is also the functional currency of the Company.

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

The Company has taken advantage of the exemption in section 401 of the Companies Act 2006 from the requirement to present consolidated financial statements. Consequently, these financial statements present the financial position and financial performance of the Company as a single entity.

INCAP HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

As permitted by FRS 101, the Company has taken advantage of the following disclosure exemptions from the requirements of IFRS:

- inclusion of an explicit and unreserved statement of compliance with IFRS;
- presentation of a Statement of Cash Flows and related notes;
- disclosure of the objectives, policies and processes for managing capital;
- disclosure of key management personnel compensation;
- disclosure of the categories of financial instrument and the nature and extent of risks arising on these financial instruments;
- the effect of financial instruments on the Statement of Comprehensive Income;
- disclosure of the future impact of new International Financial Reporting Standards in issue but not yet effective at the reporting date;
- comparative narrative information;
- related party disclosures for transactions with the parent or wholly owned members of the group.

The financial statements of the Company are consolidated in the financial statements of Incap Oyj. Where required, equivalent disclosures are given in the group accounts of Incap Oyj. The group accounts of Incap Oyj are available to the public.

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 as they fall due. 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.

Non-current 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.

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 assets

Financial assets are recognised when the Company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of financial assets.

Financial assets at fair value through profit or loss

At initial recognition, financial assets classified as fair value through profit or loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit or loss are initially measured at fair value plus transaction costs.

INCAP HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Financial assets held at amortised cost

Financial instruments are classified as financial assets measured at amortised cost where the objective is to hold these assets in order to collect contractual cash flows, and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provisions for impairment where necessary.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the investment have been affected.

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

Other financial liabilities

Other financial liabilities, including borrowings and other creditors, are initially measured at transaction price including transaction costs. They are 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 liabilities

Financial liabilities are derecognised when, and only when, the Company's obligations are discharged, cancelled, or they expire.

Equity instruments

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.

Foreign exchange

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

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

INCAP HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

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 differences and it is probable that the timing difference will not reverse in the foreseeable future.

Deferred tax is recognised on difference between the value of the 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.

Transition adjustment

There were no material adjustments arising from the adoption of FRS 101, and therefore no reconciliations of equity at 1 July 2019 or 31 December 2020, or of profit for the 18-month period ended 31 December 2020, have been presented.

INCAP HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

2 Critical accounting estimates and judgements

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

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 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 directors) employed by the Company during the year was:

2021 Number	2020 Number
2	2

Remuneration has been paid in respect of the directors of the Company of £nil (2020: £341,000).

The highest paid director received remuneration of £nil (2020: £207,587).

INCAP HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

4 Operating loss

	2021	2020
	£	£
Operating loss for the period is stated after charging/(crediting):		
Exchange (gains)/losses	-	17,071
Fees payable to the company's auditor for the audit of the company's financial statements	-	3,250

Included in loss before tax are exceptional costs of £nil (2020: £1,267,886) as a result of the acquisition by Incap Oyj.

During the period the UK group undertook a restructure resulting in the hive up of the entities investments from Incap Electronics Group UK Limited to Incap Holdings UK. A dividend was paid of £2,709k (2020 : £nil) to the entity as part of this process. Subsequent to this the ownership of the investment in AWS Slovakia s.r.o. was transferred from the Company to Incap Oyj. Incap Electronics Group UK Limited has subsequently been liquidated post year end following the restructure. These transactions resulted in the increase of investments as a result of restructure of £11,664k followed by a subsequent impairment of the total investment of £9,647k as a result of the transfer of the Slovakian trading entity out of the group.

5 Investment income

	2021	2020
	£	£
Income from fixed asset investments		
Income from shares in group undertakings	2,709,000	-

6 Finance costs

	2021	2020
	£	£
Interest on bank overdrafts and loans	-	86,000
Interest on loan stock	-	3,000
Cost of warrant buy-out	-	1,020,000
Interest on group borrowings	156,663	159,000
Total finance costs	156,663	1,268,000

INCAP HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

7 Taxation

The total tax charge for the year included in the income statement can be reconciled to the loss before tax multiplied by the standard rate of tax as follows:

	2021 £	2020 £
Loss before taxation	(7,094,663)	(1,717,255)
Expected tax credit based on a corporation tax rate of 19.00% (2020: 19.00%)	(1,347,986)	(326,278)
Effect of expenses not deductible in determining taxable profit	1,832,930	193,792
Income not taxable	(514,710)	-
Group relief	29,766	132,486
Taxation charge for the period	-	-

8 Investments

	2021 £	2020 £
Non-current:		
Investments in subsidiaries	8,545,658	6,533,267
	<u>8,545,658</u>	<u>6,533,267</u>

The Company has not designated any financial assets that are not classified as held for trading as financial assets at fair value through profit or loss.

INCAP HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

8 Investments (Continued)

Movements in non-current investments

	Shares in group undertakings £
Cost or valuation	
At 1 January 2021	6,533,267
Additions	11,664,162
Disposals	(4,771)
At 31 December 2021	18,192,658
Impairment	
At 1 January 2021	-
Impairment losses	(9,647,000)
At 31 December 2021	(9,647,000)
Carrying amount	
At 31 December 2021	8,545,658
At 31 December 2020	6,533,267

9 Subsidiaries

Details of the company's subsidiaries at 31 December 2021 are as follows:

Name of undertaking	Registered office	Ownership interest (%)	Voting power held (%)	Nature of business
Incap Electronics Group UK Ltd	Croft Road Industrial Estate, Newcastle, Staffordshire, ST5 0TW	100.00	100.00	Holding company
Incap Electronics UK Ltd	Croft Road Industrial Estate, Newcastle, Staffordshire, ST5 0TW	100.00	100.00	Manufacture of electronic equipment

10 Trade and other receivables

	2021 £	2020 £
Trade receivables	10	10

INCAP HOLDINGS UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

11 Trade and other payables

	Current 2021 £	2020 £	Non-current 2021 £	2020 £
Amount owed to parent undertaking	-	-	4,946,695	4,230,000
Amounts owed to fellow group undertakings	654,241	3,923,296	-	-
	<u>654,241</u>	<u>3,923,296</u>	<u>4,946,695</u>	<u>4,230,000</u>

12 Share capital

	2021 £	2020 £
Ordinary share capital		
<i>Allotted, issued and outstanding</i>		
1,000 ordinary shares of 1p each	10	10
	<u>10</u>	<u>10</u>

13 Contingent liabilities

The Company has guaranteed the borrowings of its subsidiary undertakings. At 31 December 2021 potential liabilities under this arrangement are £nil (2020: £99,631). The guarantee is secured by 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 year end is £153,866 (2020: £388,848).

14 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 Limited are prepared. The consolidated accounts of Incap Oyj are available from its registered office, Bulevardi 21, Entrance Albertinkatu 25A, 00180 Helsinki, Finland.