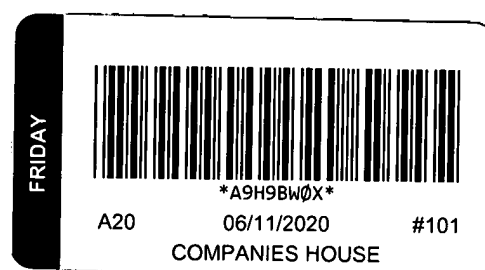


# Consolidated Financial Statements Anord Mardix Acquisitions Limited

For the financial year ended 31 December 2019

Registered number: 11112026



## Company Information

**Directors**

Jeffrey Drazan  
David Andrew Gardner  
Timothy Heston  
Shreyas Kataria (resigned 21 February 2020)  
Alan Nordon  
Kevin Yamashita  
Alan Cooling (appointed 2 October 2019)  
James Peacock (appointed 2 October 2019)  
David Hellier (appointed 21 February 2020)  
Kevin Finegan (resigned 03 May 2019)  
Ingrid Swenson (resigned 16 May 2019)

**Company secretary**

Alan Cooling (appointed 6 November 2019)  
Kevin Yamashita (appointed 16 May 2019, resigned 6 November 2019)

**Registered number**

11112026

**Registered office**

C/O A&L Goodbody Solicitors  
Augustine House  
6a Austin Friars  
London  
United Kingdom  
EC2N 2HA

**Independent auditor**

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

**Bankers**

Barings Global Advisers Limited  
300 South Tryon Street  
Suite 2500  
Charlotte  
NC 28202

Bank of Ireland Corporate Banking  
2 Burlington Plaza  
Burlington Road  
Dublin 4

## Contents

	Page
<b>Group strategic report</b>	1 – 3
<b>Directors' report</b>	4 – 5
<b>Directors' responsibilities statement</b>	6
<b>Independent auditor's report</b>	7 – 10
<b>Consolidated statement of comprehensive income</b>	11 – 12
<b>Consolidated statement of financial position</b>	13
<b>Company statement of financial position</b>	14
<b>Consolidated statement of changes in equity</b>	15
<b>Company statement of changes in equity</b>	16
<b>Consolidated statement of cash flows</b>	17 – 18
<b>Notes to the financial statements</b>	19 - 45

## Group strategic report

For the financial year ended 31 December 2019

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

### Principal activities

The principal activity of the Company is that of a parent undertaking.

The principal activity of the Group is that of the design, manufacture and sale of electrical switchgear and the associated on-site installation works, the servicing of switchgear and the manufacture, supply and installation of Busbar trunking systems.

### Business review and key performance indicators

The Directors recognise that the success of the business is dependent on securing profitable projects, maintaining efficiency in operations, and effectively managing commercial and financial risks. The Directors have assessed these risks and have taken measures to manage them. For the year ended 31 December 2019, sales both within UK and overseas have slowed down with less high value contracts obtained. Administrative expenses decreased as a result of new in-house facilities that reduced light and heat costs. As at 31 December 2019, Group has on-going profitable projects, adequate job orders for the succeeding financial year, and sufficient working capital available to finance the Group's operations. The main KPIs used by the business are monitoring of the order book, factory output and monitoring of bids currently out to tender with clients, allowing forward sales and factory production planning. Additionally, the monitoring of daily cash balance and rolling monthly cash flow forecasts aid working capital management.

### Principal risks and uncertainties

The principal risks and uncertainties to the business come with the larger projects undertaken and the relatively long time frame between commencement of a project and the point at which the final retention element is paid by customers. Projects can last a number of months and final retention is often then due one year after practical completion. This means the business carries some debts that are a number of months old and this could increase the bad debt risk.

### Financial risk management objectives and policies

The Group's financial risk management objective is broadly to seek to make neither profit nor loss from exposure to currency or interest rate risks. Its policy is to finance working capital through retained earnings and in exceptional cases through borrowings at prevailing market interest rates.

### Exposures to price credit and liquidity cash flow risks

The Group is exposed to the usual credit risk and cash flow risk associated with selling on credit and manages this through credit control procedures. Its cash flow risk in respect of forward currency purchases is also minimal as it aims to pay suppliers in accordance with their stated terms.

The Group's exposure to the price risk of financial instruments is therefore minimal and the directors do not consider any other risks attaching to the use of financial instruments to be material to an assessment of its financial position or profit.

On larger contacts for the sale of products where the Group is paid in a foreign currency, the Group will enter into a fixed price forward contract to sell that currency for GBP at the time of the receipt.

As at 31 December the Group had no forward contracts entered into.

## Group's strategic report (continued)

For the financial year ended 31 December 2019

### Financial key performance indicators (KPI's)

The main KPIs used by the business are monitoring of the order book, and monitoring of bids currently out to tender with clients, allowing forward sales and factory production planning. Additionally, daily cash balances and rolling monthly cash flow forecasts aid working capital management.

### Section 172 Statement

From the perspective of the Directors, the matters for consideration under section 172 of the Companies Act 2006 ("s172") have been considered to an appropriate extent by the Group. Such consideration is included in the statements set out below, noting the Directors' duty under s172 to act in good faith to promote the success of the Group and Company for the benefit of its shareholders but having regard amongst other matters to the following:

- the likely consequences of any decision in the long term;
- the interests of the Group's and Company's employees;
- the need to foster the Group's and Company's business relationships with customers and others;
- the impact of the Group's and Company's operations on the community and the environment;
- the desirability of the Group and Company maintaining a reputation for high standards of business conduct; and
- the need to act fairly as between members of the Group and Company.

For the Group, compliance is one of cornerstone values and forms the basis for all decisions and activities. It is the key to integrity in conducting business and as a global company. The Directors are committed to ensuring that all business is carried out in full accordance with the law as well as internal rules and principles.

The Board of Directors of the Group, both individually and together, confirmed that they have acted in the way they consider, in good faith, would be most likely to promote success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in Section 172(1) (a-f) of the Act) in the decisions taken during the year ended 31 December 2019. The following paragraphs summarise how the directors fulfil their duties:

- As the board of directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner.
- As the board of directors, we are committed to openly engage with our shareholders. It is important to us that shareholders understand our strategy and objectives, so these must be clearly communicated, feedback heard and issues or questions raised properly considered.
- As our services provided grow, our risk environment also becomes more complex. It is therefore, important that we effectively identify, evaluate, manage and mitigate the risks the Group faces. For details of our principal risks and uncertainties, please see previous paragraphs of our Group strategic report.
- Our employees are vital to the services provided by the Group. We aim to be a responsible employer in our approach to the pay and benefits for our employees. For our business to succeed, we need to manage our employees' performance and develop talent while ensuring the Group operates as efficiently as possible. The health and safety of our employees is very important to us.
- In order to grow our business, we need to develop and maintain strong business relationships. We value all of our suppliers and customers.

## Group's strategic report (continued)

For the financial year ended 31 December 2019

### Future development

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.

On 11 March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic. 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

This report was approved by the board on 8 July 2020 and signed on its behalf.



**Alan Cooling**  
Director

Date: 8 July 2020

## Directors' report

For the financial year ended 31 December 2019

### Results and dividends

The loss for the financial year, after taxation, amounted to £11,785,342 (2018 - loss £9,078,293).

The directors have not recommended the payment of a dividend in 2019 (2018: Nil).

### Directors

The directors who served during the financial year and up to the date of signing of this report were:

Jeffrey Drazan  
David Andrew Gardner  
Timothy Heston  
Shreyas Kataria (resigned 21 February 2020)  
Alan Nordon  
Kevin Yamashita  
Alan Cooling (appointed 2 October 2019)  
James Peacock (appointed 2 October 2019)  
David Hellier (appointed 21 February 2020)  
Kevin Finegan (resigned 03 May 2019)  
Ingrid Swenson (resigned 16 May 2019)

### Research and development

The Group has continued to invest in product testing and certification. The Group is at the forefront of the market for the manufacture and installation of LV Switchgear, Power Distribution Units and associated software.

### Employee involvement

The Group recognises the importance of keeping employees informed of progress and to provide information to their employees on matters of concern to them. The Directors aim to be responsible in the Group's approach to the pay and benefits for the Group's employees. For the Group's business to succeed, the Directors need to manage the employees' performance and develop talent while ensuring the Group operates as efficiently as possible. The health and safety of the employees is very important to the Group and is fully committed to safeguarding the health, safety and wellbeing of all its employees and others that are affected by its activities. The prevention of incidents, ill health and personal injury is an integral part of the Group's business processes. Occupational health and safety and the effective implementation of Zero Harm initiatives play an essential role in protecting our employees, others and assets.

### Disabled employees

The Group supports the employment of disabled persons wherever possible.

## Directors' report (continued)

For the financial year ended 31 December 2019

### 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 and the Group'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 and the Group's auditor is aware of that information.

### Events since the end of the reporting period

On 11 March 2020, the World Health Organisation officially declared COVID-19, the disease caused by novel coronavirus, a pandemic.

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 recognises 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.

### Auditor

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

This report was approved by the board on 8 July 2020 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 Group Strategic report, the Directors' report and the consolidated and company 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 consolidated 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 Group and Company and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group and Company financial statements 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the Company 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

This report was approved by the board on 8 July 2020 and signed on its behalf.



.....  
Alan Cooling  
Director

Date: 8 July 2020

## Independent auditor's report to the members of Anord Mardix Acquisitions Limited

### Opinion

We have audited the financial statements of Anord Mardix Acquisitions Limited (the 'Company') and its subsidiaries (the 'Group') which comprise the Consolidated Statement of comprehensive income, the Consolidated and Company Statements of financial position, the Consolidated and Company Statements of changes in equity, and the Consolidated Statement of cash flows, 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion,

- Anord Mardix Acquisitions Limited's consolidated financial statements give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Group as at 31 December 2019 and of the Group's financial performance and cash flows for the financial year then ended;
- Anord Mardix Acquisitions Limited's company 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
- the consolidated and company financial statements 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 '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 Group's or 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 Acquisitions 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 Strategic report and 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 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.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified any material misstatements in the Group 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 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.

## Independent auditor's report to the members of Anord Mardix Acquisitions Limited (continued)

### **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 FRS102, 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, management is responsible for assessing the Group and 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 Group and Company or to cease operations, or has no realistic alternative but to do so.

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

### **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 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.

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 Group and Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## Independent auditor's report to the members of Anord Mardix Acquisitions Limited (continued)

### **Responsibilities of the auditor for the audit of the financial statements (continued)**

- 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 Group and 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 Group and 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.

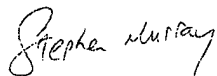
The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

Where the auditor is reporting on the audit of a Group, the auditor's responsibilities are to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the group financial statements. The auditor is responsible for the direction, supervision and performance of the audit, and the auditor remains solely responsible for the auditor's opinion.

### **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.



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

**Grant Thornton**  
Chartered Accountants &  
Statutory Auditors  
Dublin 2

Date: 10 July 2020

# Consolidated statement of comprehensive income

For the financial year ended 31 December 2019

		Continuing 2019	Discontinued 2019	Year ended 31 December 2019
	Note	£	£	£
Turnover	4	105,354,473	1,147,254	106,501,727
Cost of sales		(76,158,176)	(1,061,300)	(77,219,476)
<b>Gross profit</b>		<b>29,196,297</b>	<b>85,954</b>	<b>29,282,251</b>
Administrative expenses		(35,310,936)	(362,651)	(35,673,587)
Other operating (expenses)/income	5	13,671	(13,746)	(75)
	6			
<b>Operating loss</b>		<b>(6,100,968)</b>	<b>(290,443)</b>	<b>(6,391,411)</b>
Income from fixed assets investments		-	-	-
Interest receivable and similar income	9	-	-	-
Interest payable and expenses	10	(4,052,544)	(2,952)	(4,055,496)
<b>Loss before taxation</b>		<b>(10,153,512)</b>	<b>(293,395)</b>	<b>(10,446,907)</b>
Tax on loss	11	(1,324,439)	(13,996)	(1,338,435)
<b>Loss for the financial year/ period</b>		<b><u>(11,477,951)</u></b>	<b><u>(307,391)</u></b>	<b><u>(11,785,342)</u></b>
<b>Other comprehensive income for the financial year/period</b>				
Exchange differences on translation of foreign operations				(47,849)
<b>Total comprehensive loss for the financial year/period</b>				<b><u>(11,833,191)</u></b>
<b>Total comprehensive loss for the financial year/ period attributable to:</b>				
Non-controlling interests				(747)
Owners of the parent Company				(11,832,444)
				<b><u>(11,833,191)</u></b>

The notes on pages 19 to 45 form part of these financial statements.

## Consolidated statement of comprehensive income (continued)

For the period from 14 December 2017 to 31 December 2018

		Continuing 2018	Discontinued 2018	Period from 14 December 2017 to 31 December 2018 (as restated)
	Note	£	£	£
Turnover	4	116,178,807	4,404,565	120,583,372
Cost of sales		(86,850,341)	(2,179,134)	(89,029,475)
<b>Gross profit</b>		<b>29,328,466</b>	<b>2,225,431</b>	<b>31,553,897</b>
Administrative expenses		(35,425,634)	(899,655)	(36,325,289)
Other operating (expenses)/income	5	23,362	-	23,362
	6			
<b>Operating loss</b>		<b>(6,073,806)</b>	<b>1,325,776</b>	<b>(4,748,030)</b>
Income from fixed assets investments		32,674	-	32,674
Interest receivable and similar income	9	416	-	416
Interest payable and expenses	10	(2,978,397)	(8,215)	(2,986,612)
<b>Loss before taxation</b>		<b>(9,019,113)</b>	<b>1,317,561</b>	<b>(7,701,552)</b>
Tax on loss	11	(1,334,260)	(42,481)	(1,376,741)
<b>Loss for the financial year/ period</b>		<b>(10,353,373)</b>	<b>1,275,080</b>	<b>(9,078,293)</b>
<b>Other comprehensive income for the financial year/period</b>				
Exchange differences on translation of foreign operations				(69,611)
<b>Total comprehensive loss for the financial year/period</b>				<b>(9,147,904)</b>
<b>Total comprehensive loss for the financial year/ period attributable to:</b>				
Non-controlling interests				(1,749)
Owners of the parent Company				(9,146,155)
				<b>(9,147,904)</b>

The notes on pages 19 to 45 form part of these financial statements.

Anord Mardix Acquisitions Limited

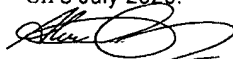
Registered number:11112026

Consolidated statement of financial position

As at 31 December 2019

	Note	2019 £	2019 £	2018 (as restated) £	2018 (as restated) £
<b>Fixed assets</b>					
Intangible assets	12		61,956,060		72,356,938
Tangible assets	13		10,146,562		7,321,914
			<u>72,102,622</u>		<u>79,678,852</u>
<b>Current assets</b>					
Stocks	15	3,317,481		3,399,085	
Debtors: amounts falling due after more than one year	16	2,325,269		1,903,024	
Debtors: amounts falling due within one year	16	52,033,733		55,255,287	
Cash at bank and in hand	17	3,517,291		4,178,744	
			<u>61,193,774</u>	<u>64,736,140</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	18	(46,646,622)		(44,327,486)	
<b>Net current assets</b>			<u>14,547,152</u>		<u>20,408,654</u>
<b>Total assets less current liabilities</b>			<u>86,649,774</u>		<u>100,087,506</u>
Creditors: amounts falling due after more than one year	19		(51,321,249)		(53,133,195)
<b>Provisions for liabilities</b>					
Deferred taxation	24	(360,239)		(152,834)	
			<u>(360,239)</u>		<u>(152,834)</u>
<b>Net assets</b>			<u>34,968,286</u>		<u>46,801,477</u>
<b>Capital and reserves</b>					
Called up share capital	25		1		1
Share premium account	26		55,949,380		55,949,380
Currency translation reserve	26		(117,460)		(69,611)
Profit and loss account	26		(20,800,296)		(9,015,701)
			<u>35,031,625</u>		<u>46,864,069</u>
Non-controlling interest	30		(63,339)		(62,592)
<b>Shareholders' funds</b>			<u>34,968,286</u>		<u>46,801,477</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 July 2020.



Alan Cooling

Director

Date: 8 July 2020

The notes on pages 19 to 45 form part of these financial statements.



Anord Mardix Acquisitions Limited

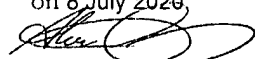
Registered number:11112026

## Company statement of financial position

As at 31 December 2019

	Note	2019 £	2019 £	2018 £	2018 £
<b>Fixed assets</b>					
Investments	14		96,422,160		96,422,160
			<u>96,422,160</u>		<u>96,422,160</u>
<b>Current assets</b>					
Debtors: amounts falling due within one year	16	9,021,655		9,332,497	
		<u>9,021,655</u>		<u>9,332,497</u>	
<b>Current liabilities</b>					
Creditors: amounts falling due within one year	18	(10,063,143)		(2,991,821)	
<b>Net current assets</b>			<u>(1,041,488)</u>		<u>6,340,676</u>
<b>Total assets less current liabilities</b>			<u>95,380,672</u>		<u>102,762,836</u>
Creditors: amounts falling due after more than one year	19		(49,908,206)		(53,103,742)
<b>Net assets</b>			<u><u>45,472,466</u></u>		<u><u>49,659,094</u></u>
<b>Capital and reserves</b>					
Called up share capital	25		1		1
Share premium account	26		55,949,380		55,949,380
Profit and loss account	26		<u>(10,476,915)</u>		<u>(6,290,287)</u>
			<u><u>45,472,466</u></u>		<u><u>49,659,094</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 8 July 2020.



Alan Cooling

Director

Date: 8 July 2020

The notes on pages 19 to 45 form part of these financial statements.

## Consolidated statement of changes in equity

For the financial year ended 31 December 2019

	Called up share capital £	Share premium account £	Currency translation reserve £	Profit attributable to owners of the parent company £	Non- controlling interest £	Total equity £
At 1 January 2019 (as restated)	1	55,949,380	(69,611)	(9,015,701)	(62,592)	46,801,477
<b>Comprehensive income for the financial year</b>						
Loss for the financial year	-	-	-	(11,784,595)	-	(11,784,595)
Non-controlling interest's share in loss for the financial year	-	-	-	-	(747)	(747)
Currency translation difference	-	-	(47,849)	-	-	(47,849)
<b>At 31 December 2019</b>	<b>1</b>	<b>55,949,380</b>	<b>(117,460)</b>	<b>(20,800,296)</b>	<b>(63,339)</b>	<b>34,968,286</b>

The notes on pages 18 to 44 form part of these financial statements.

## Consolidated statement of changes in equity

For the financial period ended 31 December 2018

	Called up share capital £	Share premium account £	Currency translation reserve £	Profit attributable to owners of the parent company £	Non- controlling interest £	Total equity £
At 14 December 2017	-	-	-	-	-	-
<b>Comprehensive income for the financial period</b>						
Non-controlling interest arising from acquisition	-	-	-	-	(60,843)	(60,843)
Loss for the financial period (as restated) (Note 33)	-	-	-	(9,015,701)	-	(9,015,701)
Non-controlling interest's share in loss for the financial period	-	-	-	-	(1,749)	(1,749)
Shares issued during the financial period	1	55,949,380	-	-	-	55,949,381
Currency translation difference	-	-	(69,611)	-	-	(69,611)
<b>At 31 December 2018 (as restated)</b>	<b>1</b>	<b>55,949,380</b>	<b>(69,611)</b>	<b>(9,015,701)</b>	<b>(62,592)</b>	<b>46,801,477</b>

The notes on pages 19 to 45 form part of these financial statements.

## Company statement of changes in equity

For the financial year ended 31 December 2019

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2019	1	55,949,380	(6,290,287)	49,659,094
<b>Comprehensive income for the financial year</b>				
Loss for the financial year	-	-	(4,186,628)	(4,186,628)
<b>At 31 December 2019</b>	<b>1</b>	<b>55,949,380</b>	<b>(10,476,915)</b>	<b>45,472,466</b>

The notes on pages 19 to 45 form part of these financial statements.

## Company statement of changes in equity

For the financial period ended 31 December 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 14 December 2017	-	-	-	-
<b>Comprehensive income for the financial period</b>				
Loss for the financial period	-	-	(6,290,287)	(6,290,287)
Shares issued during the financial period	1	55,949,380	-	55,949,381
<b>At 31 December 2018</b>	<b>1</b>	<b>55,949,380</b>	<b>(6,290,287)</b>	<b>49,659,094</b>

The notes on pages 19 to 45 form part of these financial statements.

# Consolidated statement of cash flows

For the financial year ended 31 December 2019

	2019 £	2018 £
<b>Cash flows from operating activities</b>		
Loss for the financial year / period	(11,785,342)	(9,078,293)
<b>Adjustments for:</b>		
Amortisation of intangible assets	8,899,297	8,003,894
Depreciation of tangible assets	1,470,853	1,377,380
Write off of goodwill	3,495,915	-
Loss on disposal of tangible assets	-	28,007
Government grants	(11,181)	(1,748)
Interest expense	4,055,496	2,986,612
Interest income	-	(416)
Taxation charge	1,338,435	1,376,741
Decrease in stocks	81,604	11,292,671
Decrease/(increase) in debtors	377,658	(18,862,452)
Decrease in amounts owed by group undertakings	2,465,426	8,606,248
(Decrease)/increase in creditors	(4,202,348)	3,126,060
Increase / (decrease) in amounts owed to group undertakings	1,590,434	(18,504,431)
Corporation tax paid	(2,127,586)	(2,781,208)
Unrealised foreign exchange movements	(112,981)	(132,118)
<b>Net cash from/(used in) operating activities</b>	<b>5,535,680</b>	<b>(12,563,053)</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(2,094,471)	(2,090,633)
Purchase of tangible fixed assets	(3,354,423)	(1,450,827)
Sale of tangible fixed assets	1,341,672	213,165
Government grants received	11,181	1,748
Income from investments	-	416
<b>Net cash used in investing activities</b>	<b>(4,096,041)</b>	<b>(3,326,131)</b>

## Consolidated statement of cash flows (continued)

For the financial year ended 31 December 2019

	2019 £	2018 £			
<b>Cash flows from financing activities</b>					
New secured loans	2,540,477	53,103,742			
Repayment of loans	-	(40,472,779)			
Lease payments	(739,761)	(140,237)			
Interest paid	(3,901,613)	(2,986,612)			
<b>Net cash (used in) / generated by financing activities</b>	<b>(2,100,897)</b>	<b>9,504,114</b>			
<b>Net decrease in cash and cash equivalents</b>	<b>(661,258)</b>	<b>(6,385,070)</b>			
Cash and cash equivalents at beginning of financial year	4,178,549	-			
Cash and cash equivalents acquired on acquisition of subsidiaries	-	10,563,619			
<b>Cash and cash equivalents at the end of financial year</b>	<b><u>3,517,291</u></b>	<b><u>4,178,549</u></b>			
<b>Cash and cash equivalents at the end of financial year comprise:</b>					
Cash at bank and in hand	3,517,291	4,178,744			
Bank overdrafts	-	(195)			
	<b><u>3,517,291</u></b>	<b><u>4,178,549</u></b>			
<b>Analysis of changes in net debt</b>					
	At beginning of financial year	Cash	Foreign exchange movements	Other non-cash charges	At end of financial year
Cash and cash equivalents	4,178,744	(661,453)	-	-	3,517,291
Overdrafts	(195)	195	-	-	-
Loans due within one year	-	-	-	(5,566,773)	(5,566,773)
Loans due after one year	(53,103,742)	(2,540,477)	323,123	5,412,890	(49,908,206)
Finance lease	(69,492)	739,761	-	(2,481,635)	(1,811,366)
<b>Net debt</b>	<b>(48,994,685)</b>	<b>(2,461,974)</b>	<b>323,123</b>	<b>(2,635,518)</b>	<b>(53,769,054)</b>

The notes on pages 19 to 45 form part of these financial statements.

# Notes to the financial statements

For the financial year ended 31 December 2019

## 1. General information

Anord Mardix Acquisitions Limited (the "Company") is a company limited by shares, incorporated and domiciled in the United Kingdom. The company's registered office is C/O A&L Goodbody Solicitors Augustine House, 6a Austin Friars, London, EC2N 2HA, United Kingdom.

The Company is tax resident in the United Kingdom.

The principal activity of the Company is that of a parent undertaking.

The principal activities of the Company and its subsidiaries (together, the 'Group'), is that of the design, manufacture and sale of electrical switchgear and the associated on-site installation works, the servicing of switchgear and the manufacture, supply and installation of Busbar trunking systems.

The comparative amounts relate to the period from 14 December 2017 (date of incorporation) to 31 December 2018.

## 2. Accounting policies

### 2.1 Basis of preparation of financial statements

These financial statements have been prepared in accordance with applicable accounting standards, including Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the United Kingdom and the 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 modification to a fair value basis for certain assets 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 Group management to exercise judgment in applying the Group and Company's accounting policies (see note 3).

The parent company has taken advantage of exemption in section 408 of the Companies Act 2006 and has not included its own statement of comprehensive income in these financial statements. The parent company's loss for year was £4,186,628 (2018: loss of £6,290,287).

The parent Company (Anord Mardix Acquisitions Limited) is included in these consolidated financial statements, and is considered to be a qualifying entity under FRS 102 paragraph 1.8 to 1.12. The following disclosure exemptions have been applied in this respect:

- The reconciliation of the number of shares outstanding from the beginning to end of the period,
- No separate parent undertaking Statements of Cash Flows or related notes is included; and
- Key management personnel compensation details.

The following principal accounting policies have been applied:

### 2.2 Basis of consolidation

The consolidated financial statements of the Group present the results of the Company and its subsidiaries as if they form a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full. Control is achieved where the group has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities. Intercompany transactions and balances between Group companies are therefore eliminated in full.

## Notes to the financial statements

For the financial year ended 31 December 2019

### 2. Accounting policies (continued)

#### 2.3 Business combinations

Acquisitions of subsidiaries and businesses are accounted for using the purchase method. The cost of the business combination is measured at the aggregate of the fair values (at the date of exchange) of considerations given, liabilities incurred or assumed, and equity instruments issued by the group in exchange for control of the acquiree plus costs directly attributable to the business combination.

Any excess of the cost of the business combination over the acquirer's interest in the net fair value of the identifiable assets and liabilities is recognised as goodwill. If the net fair value of the identifiable assets and liabilities exceeds the cost of the business combination the excess is recognised separately on the face of the consolidated statement of financial position immediately below goodwill as negative goodwill.

#### 2.4 Going concern

The financial statements have been prepared on a going concern basis which assumes that the Group will continue in operational existence for at least one year from the date of signing these financial statements. As noted in the Consolidated Statement of comprehensive income the Group incurred a loss in the financial year/period of £11,785,342 (2018: £9,078,293) but as at 31 December 2019, the Group was in a net asset position of £34,968,286 (2018: £46,801,477).

After reviewing the Group's forecasts and projections, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. The Group therefore continues to adopt the going concern basis in preparing its financial statements.

#### 2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

# Notes to the financial statements

For the financial year ended 31 December 2019

## 2. Accounting policies (continued)

### 2.5 Revenue (continued)

#### Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided by reference to 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 Group 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, by comparing the costs incurred for work performed to date to the total estimated contract costs; and
- the costs incurred and the costs to complete the contract can be measured reliably.

### 2.6 Foreign currency translation

#### Functional and presentation currency

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

The Group's presentation 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 Consolidated 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 Consolidated statement of comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Consolidated statement of comprehensive income within 'other operating income'.

#### Translation

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.



## Notes to the financial statements

For the financial year ended 31 December 2019

### **2. Accounting policies (continued)**

#### **2.7 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

#### **2.8 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

#### **2.9 Leased assets: the Group as lessee**

Assets held under finance leases are recognised initially at fair value of the leased asset (or, if lower, the present value of minimum lease payments (at the inception of the lease). Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Consolidated statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### **2.10 Government grants**

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to capital expenditure are credited to the Consolidated statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Consolidated statement of comprehensive income in the same period as the related expenditure.

#### **2.11 Interest income**

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

#### **2.12 Finance costs**

Finance costs are charged to the Consolidated 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)

### 2.13 Pensions

#### Defined contribution pension plan

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Consolidated statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of financial position. The assets of the plan are held separately from the Group in independently administered funds.

### 2.14 Current and deferred taxation

The tax expense for the financial year comprises current and deferred tax. Tax is recognised in the Consolidated 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 substantially enacted by the reporting date in the countries where the Company and the Group operate and generate 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;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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.

# Notes to the financial statements

For the financial year ended 31 December 2019

## 2. Accounting policies (continued)

### 2.15 Intangible assets

#### Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful life.

#### Other intangible assets

Other intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Patents	-	5	years
Development expenditure	-	5	years
Goodwill	-	10	years

Amortisation has not yet been recognised on development expenditure on the basis that the capitalised development was not yet ready for its intended use by management at the year end. Amortisation will commence once the asset is complete and ready for its intended use.

### 2.16 Tangible assets

Tangible 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. Freehold land under freehold property is not depreciated.

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.

The estimated useful lives range as follows:

Freehold property	-	10 to 50	years
Long-term leasehold property	-	10	years
Plant and machinery	-	3 to 10	years
Motor vehicles	-	5	years
Fixtures and fittings	-	3 to 10	years
Office equipment	-	3 to 10	years

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.

## Notes to the financial statements

For the financial year ended 31 December 2019

### 2. Accounting policies (continued)

#### 2.16 Tangible assets (continued)

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

#### 2.17 Investment property

Investment property is carried at fair value determined annually by external valuers and derived from the current market rents and investment property yields for comparable real estate, adjusted if necessary for any difference in the nature, location or condition of the specific asset. No depreciation is provided. Changes in fair value are recognised in the Consolidated statement of comprehensive income.

#### 2.18 Valuation of investments

Investments in subsidiaries are measured at cost less any accumulated impairment in the Company financial statements.

#### 2.19 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 Consolidated statement of comprehensive income.

If an impairment loss subsequently reverses, the carry 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 Consolidated statement of comprehensive income.

#### 2.20 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in first out basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in Statement of comprehensive income.

#### 2.21 Amounts recoverable from long term contracts

Amounts recoverable from long term contract balances are stated at total costs incurred, net of amounts transferred to the statement of comprehensive income in respect of work carried out to date, less foreseeable losses and applicable payments to accounts not matched with turnover.

Profit on long term contracts is not recognised until the long term contract is complete and delivered.

The amount by which recorded turnover is in excess of payments on account is classified in the accounts as 'Amounts recoverable from long term contracts' and is included in 'Debtors'.

## Notes to the financial statements

For the financial year ended 31 December 2019

### 2. Accounting policies (continued)

#### 2.21 Amounts recoverable from long term contracts (continued)

The balance of payments on account, which are in excess of amounts:

(a) Matched with turnover

(b) Offset against long term contract balances

are classified as 'Payments on account in relation to long term contracts' and are separately disclosed within 'Creditors'

Amounts are also included in creditors which relate to a snagging/retention provision on particular long terms contracts.

Expected losses on contracts are recognised in provisions in the period when they are identified and are based upon the anticipated excess of contract costs over the related contract revenues.

In calculating the profit or loss on each long term contract, account is taken of appropriate overheads based on the estimated normal level of production, including direct overheads.

#### 2.22 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.

#### 2.23 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

#### 2.24 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.

#### 2.25 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Consolidated statement of comprehensive income in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

## Notes to the financial statements

For the financial year ended 31 December 2019

### 2. Accounting policies (continued)

#### 2.26 Financial instruments

The Group only enters into basic financial instrument 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 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 in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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 Consolidated 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 Group would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

#### 2.27 Derivative financial instruments

The Company uses derivative financial instruments to reduce exposure to interest rate movements. The Company does not hold or issue derivative financial instruments for speculative purposes.

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently re-measured to their fair value at each reporting date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which the event and timing of the recognition in profit or loss depends on the nature of the hedge relationship.

## Notes to the financial statements

For the financial year ended 31 December 2019

### 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:

##### *Taxation*

Determining income tax provisions involves judgement on the tax treatment of certain transactions. Deferred tax is recognised on tax losses not yet used and on temporary differences where it is probable that there will be taxable revenue against which these can be offset. Management has made judgements as to the probability of future taxable revenues being generated against which tax losses will be available for offset.

#### 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:

##### *Tangible fixed assets*

Tangible fixed assets, other than investments properties, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

##### *Estimating allowance for impairment of debtors*

The company maintains provisions for impaired accounts at a level considered adequate to provide for probable uncollectible receivables. The level of this provision is regularly evaluated and normally consists of past due accounts that are neither subject of ongoing negotiations with management to revise payment schedules nor secured with any collateral.

##### *Estimating impairment of goodwill*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating unit based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate. In 2019, the Group has written off impaired goodwill amounting to £3,884,350 (2018: \$Nil) (see Note 12).

# Notes to the financial statements

For the financial year ended 31 December 2019

## 3. Judgments in applying accounting policies (continued)

### *Stock valuation*

Stocks are valued at the lower of cost and net realisable value. Net realisable value comprises the selling price, less costs to complete and sell. Estimates of net realisable value are based on the most reliable evidence available at the time the estimates are made, taking into consideration fluctuations of price or cost directly relating to events occurring after the end of the period, the likelihood of short-term changes in buyer preferences, product obsolescence or perishability and the purpose for which the inventory is held. As at 31 December 2019, provision for stock valuation amounted to £170,526 (2018: £Nil).

### *Amounts recoverable from long term contracts*

Amounts recoverable on long term contracts is valued as costs incurred to date less revenue billings to date. Profit on long term contracts is not recognised until the long term contract is complete and delivered. As at 31 December 2019 Amounts recoverable on long term contracts is valued in the financial statements at £11,560,462 (2018: £6,748,456), and are reported under debtors due within one year.

### *Consideration of impairment of investments in subsidiaries*

Determining whether the carrying value of investments in subsidiaries in the company financial statements has been impaired, may require an estimate of the value in use of the investment in subsidiaries. The directors are satisfied that the carrying value of the company's subsidiary investments are at least equal to their recoverable amount and as such no impairment should be recognised in the period.

## 4. Turnover

	Year ended 31 December 2019 £	Period from 14 December 2017 to 31 December 2018 £
Design, manufacture, sale of electrical switchgear and related services	<u>106,501,727</u>	<u>120,583,372</u>

An analysis of turnover by category and by geographical markets has not been disclosed as the directors consider it to be seriously prejudicial to the interests of the Group to disclose such information.

## 5. Other operating income / (expense)

	Year ended 31 December 2019 £	Period from 14 December 2017 to 31 December 2018 £
Net rents receivable	2,638	2,207
Government grants	11,033	1,748
Sundry (expense)/income	(13,746)	19,407
	<u>(75)</u>	<u>23,362</u>



# Notes to the financial statements

For the financial year ended 31 December 2019

## 6. Operating loss

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

	Year ended 31 December 2019 £	Period from 14 December 2017 to 31 December 2018 £
Research & development charged as an expense	227,812	51,104
Exchange differences	(1,569,513)	1,913,334
Operating lease rentals - land and buildings	2,315,542	1,692,376
Depreciation of tangible assets - owned	1,405,228	1,144,055
Depreciation of assets held under finance lease or hire purchase	65,625	233,325
Amortisation of intangible assets	8,899,297	8,003,894
Defined contribution pension costs	607,795	463,714
Loss on disposal of tangible assets	-	28,007
Audit of the accounts of the Group	125,000	128,840
Tax compliance services	<u>35,005</u>	<u>28,987</u>

## 7. Employees

The Group's staff costs, including directors' remuneration, were as follow:

	Year ended 31 December 2019	Period from 14 December 2017 to 31 December 2018
Wages & salaries	30,036,388	25,676,942
Social welfare costs	2,947,418	2,789,509
Pension and other costs	607,795	463,714
	<u>33,591,601</u>	<u>28,930,165</u>

# Notes to the financial statements

For the financial year ended 31 December 2019

## 7. Employees (continued)

The average monthly number of employees, including the directors, during the financial period was as follows:

	Group 2019 £	Group 2018 (as restated) £
Administration	39	35
Operations	212	201
Manufacturing	502	419
Sales and marketing	22	21
	<u>775</u>	<u>676</u>

## 8. Directors' remuneration

	Year ended 31 December 2019 £	Period from 14 December 2017 to 31 December 2018 £
Directors' emoluments	<u>1,382,574</u>	<u>1,265,168</u>

The highest paid director received a remuneration of £357,321 for the year ended 31 December 2019 (2018: £426,254).

The value of the Company's contributions paid to a defined contribution pension scheme in respect of highest paid director amounted to £9,331 for the year ended 31 December 2019 (2018: £19,607).

The total accrued pension provision of the highest paid director amounted to £Nil for the year ended 31 December 2019 (2018: £Nil).

## 9. Interest receivable

	Year ended 31 December 2019 £	Period from 14 December 2017 to 31 December 2018 £
Bank interest receivable	<u>-</u>	<u>416</u>

# Notes to the financial statements

For the financial year ended 31 December 2019

## 10. Interest payable and similar expenses

	Year ended 31 December 2019 £	Period from 14 December 2017 to 31 December 2018 £
Bank interest payable	3,825,147	2,968,234
Finance leases and hire purchase contracts	230,349	18,378
	<u>4,055,496</u>	<u>2,986,612</u>

## 11. Taxation

	Year ended 31 December 2019 £	Period from 14 December 2017 to 31 December 2018 £
<b>Corporation tax</b>		
Current tax on loss for the year / period	1,089,999	1,477,119
Adjustments in respect of pre-acquisition subsidiaries	-	(100,378)
<b>Total current tax</b>	<u>1,089,999</u>	<u>1,376,741</u>
Deferred tax	248,436	-
<b>Taxation on loss on ordinary activities</b>	<u>1,338,435</u>	<u>1,376,741</u>

# Notes to the financial statements

For the financial year ended 31 December 2019

## 11. Taxation (continued)

### Factors affecting tax charge for the financial year/period

The tax assessed for the financial period is higher than the loss for the period multiplied by the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Year ended 31 December 2019	Period from 14 December 2017 to 31 December 2018
	£	£
Loss on ordinary activities before tax	<u>(10,446,907)</u>	<u>(7,701,552)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018: 19%)	(1,984,912)	(1,463,295)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	2,885,108	2,766,893
Difference between capital allowances and depreciation for the year	91,739	79,135
Income subjected to higher tax rates	2,661	656
Research and development relief	(84,670)	-
Deferred taxation	248,436	-
Difference in statutory tax rates	180,073	93,797
Short term timing differences	-	(67)
Adjustments in respect of pre-acquisition subsidiaries	-	(100,378)
<b>Total tax charge for the financial year/period</b>	<u><b>1,338,435</b></u>	<u><b>1,376,741</b></u>

### Factors that may affect future tax charges

There are no factors affecting future tax charges.

## Notes to the financial statements

For the financial year ended 31 December 2019

**12. Intangible assets****Group**

	Patents £	Development expenditure £	Goodwill £	Total £
<b>Cost or valuation</b>				
At 1 January 2019	23,666	2,322,401	78,014,913	80,360,980
Additions	2,077	2,092,394	-	2,094,471
Write off of goodwill	-	-	(3,884,350)	(3,884,350)
Currency translation	(1,495)	(87,823)	(26,450)	(115,768)
At 31 December 2019	<u>24,248</u>	<u>4,326,972</u>	<u>74,104,113</u>	<u>78,455,333</u>
<b>Depreciation</b>				
At 1 January 2019	10,185	-	7,993,857	8,004,042
Charge for the year	7,602	1,087,494	7,804,201	8,899,297
Charge on write off	-	-	(388,435)	(388,435)
Currency translation	(1,278)	(14,353)	-	(15,631)
At 31 December 2019	<u>16,509</u>	<u>1,073,141</u>	<u>15,409,623</u>	<u>16,499,273</u>
<b>Net book value</b>				
At 31 December 2019	<u>7,739</u>	<u>3,253,831</u>	<u>58,694,490</u>	<u>61,956,060</u>
At 31 December 2018	<u>13,481</u>	<u>2,322,401</u>	<u>70,021,056</u>	<u>72,356,938</u>

During 2019, Anord Mardix (NI) Limited ceased its trading activities. Consequently, the goodwill attributed to the acquisition of this subsidiary is assessed as impaired and hence, written off.

Anord Mardix Acquisitions Limited

## Notes to the financial statements

For the financial year ended 31 December 2019

### 13. Tangible assets

Group	Freehold property £	Long-term leasehold property £	Investment property £	Plant and machinery £	Motor vehicles £	Fixtures and fitting £	Office equipment £	Total £
<b>Cost or valuation</b>								
At 1 January 2019	2,418,608	1,234,778	21,778	3,693,486	814,247	414,110	103,825	8,700,832
Additions	8,276	1,774,553	-	3,522,410	-	303,007	227,812	5,836,058
Disposals	(913,602)	(74,717)	-	(830,682)	(620,381)	(89,776)	(151,591)	(2,680,749)
Currency translation	(89,487)	(22,520)	(885)	(75,582)	(2,713)	(11,400)	(11,214)	(213,801)
At 31 December 2019	<b>1,423,795</b>	<b>2,912,094</b>	<b>20,893</b>	<b>6,309,632</b>	<b>191,153</b>	<b>615,941</b>	<b>168,832</b>	<b>11,642,340</b>
<b>Amortisation and impairment</b>								
At 1 January 2019	61,050	185,722	-	744,576	321,875	62,666	3,029	1,378,918
Charge for the financial year	40,453	252,207	-	926,661	5,237	160,166	86,129	1,470,853
Depreciation on disposal	(69,837)	(10,035)	-	(576,604)	(480,697)	(57,965)	(143,939)	(1,339,077)
Currency translation	(21,565)	-	(53)	18,205	(2,581)	(4,846)	(4,076)	(14,916)
At 31 December 2019	<b>10,101</b>	<b>427,894</b>	<b>(53)</b>	<b>1,112,838</b>	<b>(156,166)</b>	<b>160,021</b>	<b>(58,857)</b>	<b>1,495,778</b>
<b>Net book value:</b>								
At 31 December 2019	<b>1,413,694</b>	<b>2,484,200</b>	<b>20,946</b>	<b>5,196,794</b>	<b>347,319</b>	<b>455,920</b>	<b>227,689</b>	<b>10,146,562</b>
At 31 December 2018	2,357,558	1,049,056	21,778	2,948,910	492,372	351,444	100,796	7,321,914

As at 31 December 2019, net book value of assets held under finance lease and hire purchase agreements amounted to £ 2,173,363 (2018: £305,113).

# Notes to the financial statements

For the financial year ended 31 December 2019

## 14. Fixed asset investments

### Company

	Investment in subsidiaries £
Cost	
At 31 December 2018	96,422,160
At 31 December 2019	96,422,160

The directors are satisfied with the carrying value of the investment in subsidiaries held at the year end.

### Subsidiary undertakings

The following were subsidiary undertakings of the Company.

Name	Registered office	Class of shares	Principal activity	Holding
ACS Acquisitions Ireland Limited	25-28 North Wall Quay, Dublin 1	Holding Company	Ordinary	100%
Anord Control Systems (Holdings) Limited	Unit 17 North Link Business Park, Coes Road, Dundalk, Co. Louth	Holding Company	Ordinary	100%
Anord Mardix (Ireland) Limited	Unit 17 North Link Business Park, Coes Road, Dundalk, Co. Louth	Design and Manufacture of electric switchgear	Ordinary	100%
Mardix Holdings Ltd	Castle Mills Units 21,22,26, Aynam Road, Kendal, Cumbria, LA9 7DE, England	Holding Company	Ordinary	100%
Mardix Asia Pte Limited	No 63, Kaki Bukit Ave 1, Level 3, Shun Li Industrial Park, Singapore, 417944	Design and Manufacture of electric switchgear	Ordinary	90%

## Notes to the financial statements

For the financial year ended 31 December 2019

### 14. Fixed asset investments (continued)

Name	Registered office	Class of shares	Principal activity	Holding
Anord Mardix Databar Busway Limited	Castle Mills, Aynam Road, Kendal, LA9 7DE, England	Design and Manufacture of electric switchgear	Ordinary	100%
Anord Mardix IBAR (EMEA) Limited	Castle Mills, Aynam Road, Kendal, LA9 7DE, England	Design and Manufacture of electric switchgear	Ordinary	100%
Anord Mardix (UK) Limited	Castle Mills, Aynam Road, Kendal, LA9 7DE, England	Design and Manufacture of electric switchgear	Ordinary	100%
Anord Mardix Critical Power Services Limited	Castle Mills, Aynam Road, Kendal, LA9 7DE, England	Design and Manufacture of electric switchgear	Ordinary	100%

### 15. Stocks

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Raw materials	<u>3,317,481</u>	<u>3,399,085</u>	-	-

As at 31 December 2019, provision for stock valuation amounted to £170,526 (2018: £Nil)

No impairment losses were recognised in the year (2018: £Nil).

The replacement cost of stocks did not differ significantly from the figures shown above.



# Notes to the financial statements

For the financial year ended 31 December 2019

## 16. Debtors

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
--	--------------------	--------------------	----------------------	----------------------

### Due after more than one year

Trade debtors - retentions	<u>2,325,269</u>	<u>1,903,024</u>	<u>-</u>	<u>-</u>
----------------------------	------------------	------------------	----------	----------

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
--	--------------------	--------------------	----------------------	----------------------

### Due within one year

Trade debtors	27,598,861	30,613,176	-	-
Amounts owed by group undertakings	9,097,035	11,562,461	7,860,256	7,942,685
Other debtors	1,460,966	1,675,668	1,161,399	1,389,812
Corporation tax repayable	851,138	807,363	-	-
VAT repayable	150,852	538,475	-	-
Prepayments	1,125,001	1,398,826	-	-
Accrued income	189,418	1,910,862	-	-
Amounts recoverable on long term contracts	11,560,462	6,748,456	-	-
	<u>52,033,733</u>	<u>55,255,287</u>	<u>9,021,655</u>	<u>9,332,497</u>

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

A provision of £334,242 (2018: £348,319) has been recognised against trade debtors.

## 17. Cash and cash equivalents

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Cash at bank and in hand	3,517,291	4,178,744	-	-
Less: bank overdrafts	-	(195)	-	-
	<u>3,517,291</u>	<u>4,178,549</u>	<u>-</u>	<u>-</u>

# Notes to the financial statements

For the financial year ended 31 December 2019

## 18. Creditors: Amounts falling due within one year

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans (Note 21)	5,566,773	-	5,566,773	-
Trade creditors	16,584,169	15,826,769	-	-
Bank overdraft	-	195	-	-
Amounts owed to group undertakings	12,750,497	11,160,063	4,148,610	2,632,781
Corporation tax	-	993,812	-	-
Other taxation and social security	1,197,882	2,416,817	-	-
Obligations under finance lease and hire purchase contracts (Note 22)	398,323	40,039	-	-
Other creditors	682,996	751,211	347,760	359,040
Government grants (Note 23)	-	11,181	-	-
Deferred consideration	-	486,440	-	-
Accruals	5,344,553	4,563,689	-	-
Deferred income	4,121,429	8,077,270	-	-
	<u>46,646,622</u>	<u>44,327,486</u>	<u>10,063,143</u>	<u>2,991,821</u>

Trade creditors, including accruals and other creditors, 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.

Obligations under finance lease and hire purchase contracts are repayable over the coming months in accordance with the lease and hire purchase agreements.

Government grants are recognisable at various dates over the coming months in accordance with the grant agreements in place.

Deferred consideration is repayable at various dates over the coming months in accordance with the purchase agreement.

Deferred income is recognisable at various dates over the coming months in accordance with the sales contracts entered into with customers.

## Schedule to the detailed accounts

For the financial year ended 31 December 2019

**19. Creditors: Amounts falling due after more than one year**

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Bank loans (Note 21)	49,908,206	53,103,742	49,908,206	53,103,742
Net obligations under finance leases and hire purchase contracts (Note 22)	1,413,043	29,453	-	-
	<u>51,321,249</u>	<u>53,133,195</u>	<u>49,908,206</u>	<u>53,103,742</u>

**20. Bank security**

Glas Trust Corporation Limited, as security agent for Barings Global Advisors and Bank of Ireland, holds a floating charge over all property or undertaking of all companies within the Group. The charge was registered on 15 February 2018.

**21. Bank loans**

The Group has financial commitments as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Amounts falling due within one year	5,566,773	-	5,566,773	-
Amounts falling due between 2 to 5 years	49,908,206	-	49,908,206	-
Amounts falling due after more than 5 years	-	53,103,742	-	53,103,742
	<u>55,474,979</u>	<u>53,103,742</u>	<u>55,474,979</u>	<u>53,103,742</u>

The bank loans and overdrafts are secured against assets of the Group and Company. The Group and Company has a facility agreement with Barings Global Advisors and Bank of Ireland with a balance of £55,474,979 as at 31 December 2019. The loan is repayable between 2021 and 2025. The interest rate on the loan is LIBOR + 4.75%.

## Schedule to the detailed accounts

For the financial year ended 31 December 2019

### 22. Hire purchase and finance leases

Minimum lease payments under finance lease and hire purchase fall due as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Within one year	398,323	40,039	-	-
Between 1-5 years	1,272,257	29,453	-	-
Over 5 years	140,786	-	-	-
	<u>1,811,366</u>	<u>69,492</u>	<u>-</u>	<u>-</u>

Obligations under finance lease and hire purchase contracts are secured on the assets to which they relate.

### 23. Government grants

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<b>Recognised in creditors due within one year</b>				
Deferred government grants due within one year	-	11,181	-	-
	<u>-</u>	<u>11,181</u>	<u>-</u>	<u>-</u>
<b>Recognised in other operating income</b>				
Government grants released to profit and loss	11,181	1,748	-	-
	<u>11,181</u>	<u>1,748</u>	<u>-</u>	<u>-</u>

## Schedule to the detailed accounts

For the financial year ended 31 December 2019

### 24. Deferred taxation

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
At beginning of the year/period	152,834	-	-	-
Arising on business combination	-	152,834	-	-
Deferred tax charges	248,436	-	-	-
Movement in Anord Mardix (NI) Limited	(41,031)	-	-	-
At end of the year/period	<u>360,239</u>	<u>152,834</u>	<u>-</u>	<u>-</u>

The deferred taxation balance is made up as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
Accelerated capital allowances	<u>360,239</u>	<u>152,834</u>	<u>-</u>	<u>-</u>

### 25. Share capital

	2019 £	2018 £
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1.00	<u>1</u>	<u>1</u>

### 26. Reserves

#### Share capital

Called up share capital represents the nominal value of shares that have been issued.

#### Share premium

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

#### Currency translation reserve

The foreign exchange reserve relates to differences arising from the translation of financial statements of the Group's foreign entities into GBP (£).

#### Profit and loss account

The profit and loss account includes all current year and prior period retained profits and losses.

## Schedule to the detailed accounts

For the financial year ended 31 December 2019

### 27. Pension commitments

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. Pension payments recognised as an expense during the period amounted to £607,795 (2018: £463,714). No prepayment or accrual arose as at 31 December 2019 (2018: £Nil).

### 28. Commitments under operating leases

At 31 December 2019 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2019 £	Group 2018 £	Company 2019 £	Company 2018 £
<b>Land and buildings</b>				
Not later than 1 year	2,257,178	1,624,534	-	-
Later than 1 year and not later than 5 years	9,453,433	8,196,070	-	-
Later than 5 years	7,305,301	6,622,793	-	-
	<u>19,015,912</u>	<u>16,443,397</u>	<u>-</u>	<u>-</u>

### 29. Related party transactions

The Company has a senior debt facility of US\$33.25 million, of which an interest rate swap is in existence with a fellow group company.

A.C. Holdings Limited is a related party to Anord Mardix Ireland Limited, one of the subsidiaries of Anord Mardix Acquisitions Limited., by virtue of a common directorship of Alan Norton. During the year, Anord Mardix Ireland Limited invoiced AC Holdings Limited for an amount of £556,501, relating to the sale of premises at unit 17 Northlink Business Park, Coes Road East, Dundalk Co. Louth. As at 31 December 2019, Anord Mardix Ireland Limited was owed a balance of £1,996 (2018: £Nil).

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.

Key management compensation for the financial period amounted to £1,382,574 (2018: £1,265,168).

## Schedule to the detailed accounts

For the financial year ended 31 December 2019

### 30. Non-controlling interests

There is a 10% non-controlling interest in Mardix Asia Pte Limited. During the year ended 31 December 2019 this entity incurred a loss of £7,473 (2018: £17,491), and has accumulated deficits of £633,392 (2018: £625,919).

### 31. Post balance sheet events

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 recognises 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.

### 32. Controlling party

The Group is a wholly owned subsidiary of ACS Acquisitions, Inc., a company registered in the United States of America.

The Group is included in the consolidated financial statements of ACS Acquisitions, Inc., forming both the smallest and largest body of undertakings of which the Group 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 interests in ACS Acquisitions Inc. are held by Bertram Growth Capital. Bertram Growth Capital III, L.P. & Bertram Growth Capital III-A, L.P.

## Schedule to the detailed accounts

For the financial year ended 31 December 2019

### **33. Prior period adjustment**

Prior period accounts have been adjusted to reflect the following transactions.

Prior period other comprehensive loss is presented in the statement of comprehensive income. Exchange differences on translation of foreign operations amounted to £69,611 for the period from 14 December 2017 to 31 December 2018.

Non-controlling interest's share in total comprehensive loss is shown separately in the statement of financial position, statement of comprehensive income, and statement of changes in equity, amounting to £1,749 for the period from 14 December 2017 to 31 December 2018. The balance of non-controlling interest as at 31 December 2018 amounted to £62,592.