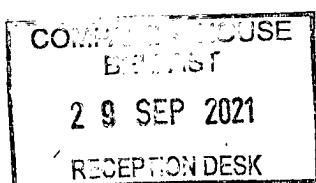


Consolidated Financial Statements Anord Mardix Acquisitions Limited

For the financial year ended 31 December 2020



Registered number: 11112026



Company Information

Directors	Alan Cooling Jeffrey Drazan David Andrew Gardner Kevin Geng Yu (appointed 20 November 2020) David Hellier (appointed 21 February 2021) Timothy Heston (resigned 20 November 2020) Shreyas Kataria (resigned 21 February 2020) Alan Nordon James Peacock Kevin Yamishita
Company secretary	Alan Cooling
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

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Group strategic report

For the financial year ended 31 December 2020

The directors present their Strategic report on the consolidated and Company financial statements for the financial year ended 31 December 2020.

Principal activities

The principal activity of Anord Mardix Acquisitions Limited (the “Company”) is that of a parent undertaking.

The principal activity of the Company and its subsidiaries (collectively known as 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 financial key performance indicators (“KPI’s”)

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. There has been a significant increase in operations due to new projects contracted during the financial year which resulted in a net profit for the year ended 31 December 2020 £2,271,809 from net loss of £12,184,300 for the year ended 31 December 2019. As at 31 December 2020, the 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.

At the beginning of the financial year, all of the Anord Mardix Databar (Busway) Limited’s and Ibar (EMEA) Limited’s trading operations were transferred to Anord Mardix (UK) Limited to simplify the Anord Mardix Group structure.

The main key performance indicators 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 risk of bad debt.

On 31 January 2020, the United Kingdom (UK) left the European Union (EU). This did not have any significant impact on the Group during the financial year. For future periods, it is difficult to pin point any direct impacts from Brexit. However, the Group’s balance sheet is in excellent shape and leaves the Group well positioned to benefit from any disruption and consequent opportunity which may arise.

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; as such the COVID-19 crisis did not have a severe impact on the Group.

Group strategic report (continued)

For the financial year ended 31 December 2020

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 contracts 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 2020 the Group had no forward contracts entered into.

Directors' statement of compliance with duty to promote the success of the Group

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 2020. The following paragraphs summarise how the directors fulfil their duties:

- As the board of directors, we acknowledge that the success of the business is directly attributable to the people working in it. We acknowledge the importance of keeping our employees motivated and engaged through a responsible approach to salary and benefit packages, and through training. We ensure our staff are appropriately qualified and can continue to develop within the Company through our performance system. We also acknowledge that the health and safety of the employees is key to our business.
- As the board of directors, we recognize that our suppliers are of critical importance to the business. We are committed to engaging with our suppliers and customers to maintain and grow our business relationships, ensuring that we receive and provide the best service possible. Monthly and quarterly business reviews ensure that the business maintains good relationships.
- As the board of directors, we acknowledge we are committed to engaging with our stakeholders to effectively identify, evaluate, manage and mitigate the risks the Company faces in a timely manner. Please see the principal risks and uncertainties in our Strategic report for further details.
- As the board of directors, our intention is to behave responsibly and ensure that management operate the business in a responsible manner and that the best interest of the Company is at the forefront when making decisions.

We as directors, ensure that the board remains informed and monitors compliance with the relevant Company Law and governance standards resulting in the Company maintaining a reputation for high standards of business conduct.

Group's strategic report (continued)

For the financial year ended 31 December 2020

Research and development

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

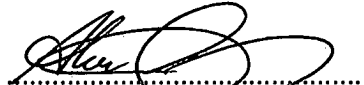
Future development

The Group plans to continue its present activities. The directors do not anticipate a significant change in the activities of the Group in future periods.

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



James Peacock
Director



Alan Cooling
Director

Date: 25 August 2021

Directors' report

For the financial year ended 31 December 2020

The directors present their report and the audited Group and Company audited financial statements for the financial year ended 31 December 2020.

Results and dividends

The profit for the financial year, after taxation, amounted to £2,271,809 (2019: loss £12,184,300).

The directors have not recommended the payment of a dividend during the financial year (2019: £Nil).

Directors

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

Alan Cooling
Jeffrey Drazan
David Andrew Gardner
Kevin Geng Yu (appointed 20 November 2020)
David Hellier (appointed 21 February 2021)
Timothy Heston (resigned 20 November 2020)
Shreyas Kataria (resigned 21 February 2020)
Alan Nordon
James Peacock
Kevin Yamishita

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.

Engagement with employees

The success of the business is directly attributable to the people working in it. We acknowledge the importance of keeping our employees motivated and engaged through a responsible approach to salary and benefit packages, and through training. We ensure our staff are appropriately qualified and can continue to develop within the Group through our performance system. The ability to find and retain good personnel reflects the general policy of providing good terms and conditions of employment while dealing with staff in a fair and consistent manner. Their continued loyalty and hard work are much appreciated. The Group encourages employee feedback and is committed to provide regular open communication with all employees.

Disabled employees

The Group is committed to a policy of Equal Opportunity with regard to its employment practices and procedures. It is the Groups policy that all persons should be considered for employment training, career development and promotion on the basis of their abilities and aptitudes, regardless of physical ability, age, gender, sexual orientation, religion or ethnic origin.

The Group applies employment policies that are fair and equitable for all employees and these ensures that entry into, and progression within the Group are determined solely by application of job criteria and personal ability and competency.

Directors' report (continued)

For the financial year ended 31 December 2020

Disabled employees (continued)

Full and fair consideration, having regard to the persons particular aptitudes and abilities, is given to applications for employment and career development of disabled persons. The Groups training and development policies also make it clear that it will take all steps practicable to ensure that employees who become disabled during the time they are employed by the Group are able to remain employed by the Group.

Stakeholders involvement

The Group recognises the importance of maintaining a strong relationship with suppliers, customers and other business relationships as they are fundamental to the quality of the Group's operations and business performance. All stakeholders are informed of progress on matters of concern to them. Monthly and quarterly business reviews ensure that the business maintains good relationships.

Greenhouse gas emissions, energy consumption and energy efficiency action

	2020 tCO ₂	2020 kWh
Direct emissions		
Combustion of gas and use of fuel for transport	713	2,329,130
Total – Scope 1	713	2,329,130
Indirect emissions (for own use)		
Purchase of electricity	532	2,280,591
Total – Scope 2	532	2,280,591
Gross emissions	1,245	4,609,721

Intensity measurement

To convert absolute emissions to an emissions intensity metric, the directors have calculated emissions per a relevant unit of measure.

An intensity ratio is a way of defining the Group emissions data in relation to an appropriate business metric, such as tonnes of CO₂e per sales revenue, or tonnes of CO₂e per total square metres of floor space. This allows comparison of energy efficiency performance over time and with other similar types of organisations.

SECR intensity ratios are calculated by dividing the Company's emissions by its organisation-specific metric. In this instance the intensity ratio used for the Company is tonnes of product for the financial year. Intensity ratio for the year is 89kg/Co₂e/t.

Energy efficient action

The directors continue to strive for energy and carbon reduction arising from their activities. They have a rolling programme of upgrading plant and equipment for more efficient items, increasing insulation to the refrigerated plant and moving the vehicle fleet to fully electric vehicles where appropriate.

Methodologies used

The Group followed the 2019 UK Government environmental reporting guidance. It has used '2020 UK Government's GHG Conversion Factors for Company Reporting' to calculate emissions for Scope 1 and 2.

Directors' report (continued)

For the financial year ended 31 December 2020

Disclosure of information to auditor

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

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

Post balance sheet events

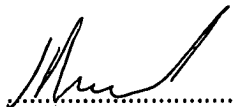
On 1 January 2021, the United Kingdom left the European Union with a trade deal thereby avoiding potential negative consequences of a no deal Brexit. Although the Group is exposed to the uncertainties that long term impact of Brexit may bring to its customers, the directors have plans to mitigate any potential risks that may arise.

There were no other events since the year end up to date of approval of the financial statements, that would require revision of the results or financial position of the Group, or disclosure in the financial statements.

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 and signed on its behalf.



James Peacock
Director



Alan Cooling
Director

Date: 25 August 2021

Directors' responsibilities statement

For the financial year ended 31 December 2020

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.

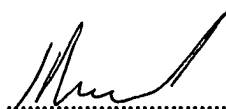
Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the consolidated financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting 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 consolidated and Company 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 consolidated and Company financial statements, the directors are required to:

- select suitable accounting policies for the consolidated 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 consolidated and Company financial statements;
- prepare the consolidated and Company 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 consolidated and Company 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 and signed on its behalf.



James Peacock
Director



Alan Cooling
Director

Date: 25 August 2021

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 2020, and the related notes to the consolidated financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the consolidated 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 Group and Company financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the assets, liabilities and financial position of the Group and Company as at 31 December 2020 and of its financial performance and cash flows for the financial year then ended; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ('ISAs (UK)') and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the consolidated financial statements' section of our report. We are independent of the Group and Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the FRC's Ethical Standard and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

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 Group strategic report and Directors' report. The directors are responsible for the other information. Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies in the consolidated financial statements, we are required to determine whether there is a material misstatement in the consolidated 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the consolidated financial statements; and
- the Group 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 consolidated financial statements

Management is responsible for the preparation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements

The objectives of an auditor are to obtain reasonable assurance about whether the Group and Company 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 consolidated financial statements.

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

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatement in the consolidated financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below:

Based on our understanding of the Group and industry, we identified that the principal risks of non-compliance with laws and regulations related to compliance with Data Privacy laws, Employment law, Environmental law and we considered the extent to which non-compliance might have a material effect on the consolidated financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the consolidated financial statements such as the Companies Act 2006 and local tax legislation. We evaluated management's incentives and opportunities for fraudulent manipulation of the consolidated financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to manipulate financial performance and management bias through judgements and assumptions in significant accounting estimates, in particular in relation to significant one-off or unusual transactions.

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

Responsibilities of the auditor for the audit of the consolidated financial statements (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

We apply professional scepticism through the audit to consider potential deliberate omission or concealment of significant transactions, or incomplete/inaccurate disclosures in the consolidated financial statements may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

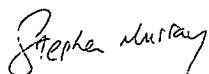
In response to these principal risks, our audit procedures included but were not limited to:

- inquiries of management on the policies and procedures in place regarding compliance with laws and regulations, including consideration of known or suspected instances of non-compliance and whether they have knowledge of any actual, suspected or alleged fraud;
- inspection of the Group's regulatory and legal correspondence and review of minutes of directors' meetings during the financial year to corroborate inquiries made;
- gaining an understanding of the internal controls established to mitigate risk related to fraud;
- discussion amongst the engagement team in relation to the identified laws and regulations and regarding the risk of fraud, and remaining alert to any indications of non-compliance or opportunities for fraudulent manipulation of financial statements throughout the audit;
- identifying and testing journal entries to address the risk of inappropriate journals and management override of controls;
- designing audit procedures to incorporate unpredictability around the nature, timing or extent of our testing;
- challenging assumptions and judgements made by management in their significant accounting estimates; including their impairment assessment of the investment in subsidiary undertakings, trade debtors, amounts recoverable on long term contracts, intangible fixed assets and tangible fixed assets; and
- review of the consolidated financial statement disclosures to underlying supporting documentation and inquiries of management.

The primary responsibility for the prevention and detection of irregularities including fraud rests with those charged with governance and management. As with any audit, there remains a risk of non-detection or irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations or override of internal controls.

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

Date:

Consolidated statement of comprehensive income

For the financial year ended 31 December 2020

	Note	Continuing operations 2020 £	Discontinued operations 2020 £	Total 2020 £
Turnover	4	154,217,838	-	154,217,838
Cost of sales		(118,625,319)	-	(118,625,319)
Gross profit		35,592,519	-	35,592,519
Administrative expenses		(29,828,307)	4,666	(29,823,641)
Other operating income	5	4,360,549	242,156	4,602,705
Operating profit	6	10,124,761	246,822	10,371,583
Interest receivable and similar income	9	779	-	779
Interest payable and expenses	10	(4,800,629)	(2,882)	(4,803,511)
Profit before taxation		5,324,911	243,940	5,568,851
Tax on profit	11	(2,090,339)	(1,206,703)	(3,297,042)
Profit for the financial year		3,234,572	(962,763)	2,271,809
Other comprehensive loss for the financial year				
Exchange differences on translation of foreign operations				(652,942)
Total comprehensive profit for the financial year				1,618,867
Profit for the financial year attributable to:				
Non-controlling interest				6,225
Owners of the parent Company				2,265,584
				2,271,809
Total comprehensive profit for the financial year attributable to:				
Non-controlling interest				6,225
Owners of the parent Company				1,612,642
				1,618,867

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

Consolidated statement of comprehensive income

For the financial year ended 31 December 2019

	Note	Continuing operations 2019 £ (as restated)*	Discontinued operations 2019 £	Total 2019 £ (as restated)*
Turnover	4	110,762,085	1,147,254	111,909,339
Cost of sales		(81,565,788)	(1,061,300)	(82,627,088)
Gross profit		29,196,297	85,954	29,282,251
Administrative expenses		(35,310,936)	(362,651)	(35,673,587)
Other operating income	5	13,671	(13,746)	(75)
Operating loss	6	(6,100,968)	(290,443)	(6,391,411)
Interest payable and expenses	10	(4,451,502)	(2,952)	(4,454,454)
Loss before taxation		(10,552,470)	(293,395)	(10,845,865)
Tax on loss	11	(1,324,439)	(13,996)	(1,338,435)
Loss for the financial year		(11,876,909)	(307,391)	(12,184,300)
Other comprehensive loss for the financial year				
Exchange differences on translation of foreign operations				(47,849)
Total comprehensive loss for the financial year				(12,232,149)
Loss for the financial year attributable to:				
Non-controlling interest				(747)
Owners of the parent Company				(12,183,533)
				(12,184,300)
Total comprehensive loss for the financial year attributable to:				
Non-controlling interest				(747)
Owners of the parent Company				(12,231,402)
				(12,232,149)

*Please see Note 32 for the restatement details. The impact of this restatement in the total comprehensive loss is £398,598.

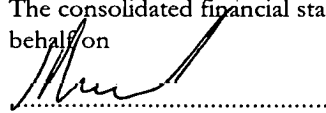
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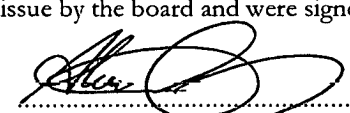
Consolidated statement of financial position

As at 31 December 2020

		2020	2020	2019	2019
	Note	£	£	£	£
				(as restated)	(as restated)
Fixed assets					
Intangible assets	12		54,223,800		61,956,060
Tangible assets	13		9,247,789		10,146,562
			<u>63,471,589</u>		<u>72,102,622</u>
Current assets					
Stocks	15	7,264,012		3,317,481	
Debtors: amounts falling due after more than one year	16	2,228,811		2,325,269	
Debtors: amounts falling due within one year	16	73,721,884		52,033,733	
Cash at bank and in hand	17	13,916,764		3,517,291	
		<u>97,131,471</u>		<u>61,193,774</u>	
Current liabilities					
Creditors: amounts falling due within one year	18	(73,594,834)		(47,571,216)	
Net current assets			<u>23,536,637</u>		<u>13,622,558</u>
Total assets less current liabilities			<u>87,008,226</u>		<u>85,725,180</u>
Creditors: amounts falling due after more than one year	19		(50,985,428)		(51,321,249)
Provisions for liabilities					
Deferred taxation	23	(360,239)		(360,239)	
			<u>(360,239)</u>		<u>(360,239)</u>
Net assets			<u>35,662,559</u>		<u>34,043,692</u>
Capital and reserves					
Called up share capital	24		1		1
Share premium account	25		55,949,380		55,949,380
Currency translation reserve	25		(770,402)		(117,460)
Profit and loss account	25		(19,459,306)		(21,724,890)
			<u>35,719,673</u>		<u>34,106,041</u>
Non-controlling interest	29		(57,114)		(63,339)
Shareholders' funds			<u>35,662,559</u>		<u>34,043,692</u>

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


James Peacock
Director


Alan Cooling
Director

Date: 25 August 2021

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

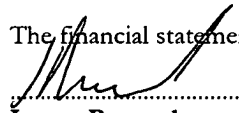
Company statement of financial position

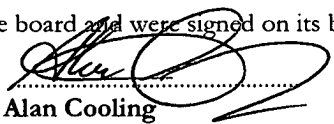
As at 31 December 2020

	Note	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Investments	14		96,422,160		96,422,160
			<u>96,422,160</u>		<u>96,422,160</u>
Current assets					
Debtors: amounts falling due within one year	16	932,986		9,021,655	
		<u>932,986</u>		<u>9,021,655</u>	
Current liabilities					
Creditors: amounts falling due within one year	18	(5,536,100)		(10,063,143)	
			<u>(4,603,114)</u>		<u>(1,041,488)</u>
Net current liabilities					
			<u>91,819,046</u>		<u>95,380,672</u>
Total assets less current liabilities					
Creditors: amounts falling due after more than one year	19		(50,008,470)		(49,908,206)
			<u>41,810,576</u>		<u>45,472,466</u>
Net assets					
Capital and reserves					
Called up share capital	24		1		1
Share premium account	25		55,949,380		55,949,380
Profit and loss account	25		<u>(14,138,805)</u>		<u>(10,476,915)</u>
Shareholders' funds			<u>41,810,576</u>		<u>45,472,466</u>

The Group is availing of the exemption in Section 408 of the Companies Act 2006 from filing its Company Statement of Profit or Loss and Other Comprehensive Income. The loss for the financial year generated by the Company is £3,661,890 (2019: £4,186,628).

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


James Peacock
Director


Alan Cooling
Director

Date: 25 August 2021

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

Consolidated statement of changes in equity

For the financial year ended 31 December 2020

	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 2020 (as previously stated)	1	55,949,380	(117,460)	(20,800,296)	(63,339)	34,968,286
Prior year adjustment (Note 32)	-	-	-	(924,594)	-	(924,594)
At 1 January 2020 (as restated)	1	55,949,380	(117,460)	(21,724,890)	(63,339)	34,043,692
Comprehensive Income for the financial year						
Profit for the financial year	-	-	-	2,265,584	6,225	2,271,809
Currency translation difference	-	-	(652,942)	-	-	(652,942)
At 31 December 2020	1	55,949,380	(770,402)	(19,459,306)	(57,114)	35,662,559

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 previously stated)	1	55,949,380	(69,611)	(9,015,701)	(62,592)	46,801,477
Prior year adjustment (Note 32)	-	-	-	(525,636)	-	(525,636)
At 1 January 2019 (as restated)	1	55,949,380	(69,611)	(9,541,337)	(62,592)	46,275,841
Comprehensive loss for the financial year						
Loss for the financial year	-	-	-	(12,183,553)	(747)	(12,184,300)
Currency translation difference	-	-	(47,849)	-	-	(47,849)
At 31 December 2019	1	55,949,380	(117,460)	(21,724,890)	(63,339)	34,043,692

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

Company statement of changes in equity

For the financial year ended 31 December 2020

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2020	1	55,949,380	(10,476,915)	45,472,466
Comprehensive loss for the financial year				
Loss for the financial year	-	-	(3,661,890)	(3,661,890)
At 31 December 2020	1	55,949,380	(14,138,805)	41,810,576

The notes on pages 19 to 45 form part of these consolidated 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
Comprehensive loss for the financial year				
Loss for the financial year	-	-	(4,186,628)	(4,186,628)
At 31 December 2019	1	55,949,380	(10,476,915)	45,472,466

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

Consolidated statement of cash flows

For the financial year ended 31 December 2020

	2020 £	As restated 2019 £
Cash flows from operating activities		
Profit/(loss) for the financial year	2,271,809	(12,184,300)
Adjustments for:		
Amortisation of intangible assets	8,590,356	8,899,297
Depreciation of tangible assets	1,687,278	1,470,853
Write off of goodwill	-	3,495,915
Profit on disposal of tangible assets	(82,737)	-
Government grants	(1,129,870)	(11,181)
Interest expense	4,803,511	4,454,454
Interest income	(779)	-
Taxation charge	3,297,042	1,338,435
(Increase)/ decrease in stocks	(3,946,531)	81,604
(Increase)/decrease in debtors	(20,219,367)	377,658
(Increase) / decrease in amounts owed by group undertakings	(1,511,672)	2,465,426
Increase/(decrease) in creditors	31,675,044	(4,202,348)
(Decrease)/increase in amounts owed to group undertakings	(294,550)	1,590,434
Corporation tax paid	(2,521,624)	(2,127,586)
Unrealised foreign exchange movements	(950,989)	(112,981)
Net cash generated from activities	21,666,921	5,535,680
Cash flows from investing activities		
Purchase of intangible fixed assets	(1,360,994)	(2,094,471)
Purchase of tangible fixed assets	(1,442,902)	(3,354,423)
Sale of tangible fixed assets	924,211	1,341,672
Government grants received	1,129,870	11,181
Net cash used in investing activities	(749,815)	(4,096,041)

Consolidated statement of cash flows (continued)

For the financial year ended 31 December 2020

	2020 £	2019 £			
Cash flows from financing activities					
New secured loans	-	2,540,477			
Repayment of loans	(5,566,772)	-			
Lease payments	(415,206)	(739,761)			
Interest received	779	-			
Interest paid	(4,536,434)	(3,901,613)			
Net cash used in financing activities	(10,517,633)	(2,100,897)			
Net increase/(decrease) in cash and cash equivalents	10,399,473	(661,258)			
Cash and cash equivalents at beginning of financial year	3,517,291	4,178,549			
Cash and cash equivalents at the end of financial year	<u>13,916,764</u>	<u>3,517,291</u>			
Cash and cash equivalents at the end of financial year comprise:					
Cash at bank and in hand	13,916,764	3,517,291			
	<u>13,916,764</u>	<u>3,517,291</u>			
Analysis of changes in net debt					
	At beginning of financial year £	Cash £	Foreign exchange movements £	Other non-cash charges £	At end of financial year £
Cash and cash equivalents	3,517,291	10,399,473	-	-	13,916,764
Loans due within one year	(5,566,773)	5,566,772	1	-	-
Loans due after one year	(49,908,206)	-	(100,264)	-	(50,008,470)
Finance lease	(1,811,366)	415,206	78,059	-	(1,318,101)
Net debt	<u>(53,769,054)</u>	<u>16,381,451</u>	<u>(22,204)</u>	<u>-</u>	<u>(37,409,807)</u>

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

Notes to the consolidated financial statements

For the financial year ended 31 December 2020

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 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 Company is tax resident in the United Kingdom.

2. Accounting policies

2.1 Basis of preparation of financial statements

These consolidated 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 consolidated 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 consolidated 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 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 consolidated financial statements. The Company's loss for the financial year was £3,661,890 (2019: loss of £4,186,628).

The Company is included in these consolidated financial statements, and is considered 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 financial year,
- No separate parent undertaking Statements of cash flows or related notes is included,
- Key management personnel compensation details; and
- The requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c)

The consolidated financial statements are presented in GBP (£).

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 consolidated financial statements

For the financial year ended 31 December 2020

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 consolidated 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 achieved a profit in the financial year of £2,271,809 (2019: loss £12,184,300) and as at 31 December 2020, the Group was in a net asset position of £35,662,559 (2019: £34,043,692).

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 consolidated financial statements.

2.5 Revenue

Revenue is derived from the sale of goods and services in relation to the Groups principal activity of the design, manufacture and sale of electrical switchgear, Power Management Systems and Databar Busbar Trunking system. Revenue for the sale of goods is recognised upon the delivery of goods, and Revenue for contract services are recognised based on percentage of completion method. 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 consolidated financial statements

For the financial year ended 31 December 2020

2. Accounting policies (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 GBP 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 consolidated financial statements

For the financial year ended 31 December 2020

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 is deemed 5 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 Government grants

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

2.10 Interest income

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

2.11 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 consolidated financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.12 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.

2.13 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 consolidated financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.14 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
Software and development	-	5	Years
Licenses	-	15	Years
Goodwill	-	10	Years

Patents:

Patents relates to approved patent application for a heat dissipation apparatus, system and method for an air circuit breaker (ACB) switchgear.

Software development:

Software development relates to development costs that are directly attributable to the development phase are recognised as intangible asset when all of the following criteria are demonstrated:

- The technical feasibility of completing the intangible asset so that it will be available for use or sale.
- The intention to complete the intangible asset and use or sell it.
- The ability to use the intangible asset or to sell it.
- How the intangible asset will generate probable future economic benefits.
- The availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset.
- The ability to measure reliably the expenditure attributable to the intangible asset during its development.

Directly attributable costs include employee costs incurred on software development.

Licenses:

Capitalised licenses relates to acquired licenses for the right to use the Databar intellectual property for the design and manufacture of the DataBar Busbar Trunking system products.

Notes to the consolidated financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

2.15 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.

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.

2.16 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 Group. 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.

2.17 Investment property

The properties are valued by the directors at regular intervals, 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.

Notes to the consolidated financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

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 determined using standard costs, which approximates actual costs under the weighted average 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 Consolidated 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 Consolidated statement of comprehensive income in respect of work carried out to date, less foreseeable losses and applicable payments to accounts not matched with turnover.

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'.

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

- (a) Matched with turnover; and
- (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.

Notes to the consolidated financial statements

For the financial year ended 31 December 2020

2. Accounting policies (continued)

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 Consolidated statement of financial position.

Notes to the consolidated financial statements

For the financial year ended 31 December 2020

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 Consolidated 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 Group uses derivative financial instruments to reduce exposure to interest rate movements. The Group 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 consolidated financial statements

For the financial year ended 31 December 2020

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

The preparation of the consolidated financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. The judgments, estimates and assumptions used in the consolidated financial statements are based upon management's evaluation of the relevant facts and circumstances as of the date of the consolidated financial statements. Actual results could differ from these estimates, and the effect of any change in estimates will be adjusted in the consolidated 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 consolidated 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 intangible assets including 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 the prior year the Group wrote off impaired goodwill amounting to £3,495,915. There have been no impairment charges recognised in 2020.

Notes to the consolidated financial statements

For the financial year ended 31 December 2020

3. Judgments in applying accounting policies and key sources of estimation uncertainty (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 2020, provision for stock valuation amounted to £142,130 (2019: £170,526).

Amounts recoverable from long term contracts

Management assess the valuation of work in progress held at the Statement of financial position date. The factors taken into account in making this assessment are a review of the stage of completeness of each WIP project gauging how far through the production process each job is, the cost of raw materials consumed including stocked components and project specific components brought in specially, and the amount of labour incurred for each stage of the production and assembly process. As at 31 December 2020 Amounts recoverable on long term contracts is valued in the consolidated financial statements at £18,059,811 (2019: £11,560,462), 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

	Group 2020 £	Group 2019 £ (as restated)
Design, manufacture, sale of electrical switchgear and related services	<u>154,217,838</u>	<u>111,909,339</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)

	Group 2020 £	Group 2019 £
Net rents receivable	20,376	2,638
Profit on disposal of Intellectual Property assets	3,331,935	-
Government grants	1,129,870	11,033
Sundry income/(expense)	<u>120,524</u>	<u>(13,746)</u>
	<u><u>4,602,705</u></u>	<u><u>(75)</u></u>

The government subsidy income balance for the financial year 31 December 2020 relates to the temporary Covid-19 wages subsidy scheme. There are no unfulfilled conditions or contingencies attaching to these grants.

Notes to the financial statements

For the financial year ended 31 December 2020

6. Operating profit/(loss)

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

	Group 2020 £	Group 2019 £
Research and development charged as an expense	118,973	227,812
Exchange differences	(2,239,279)	(1,569,513)
Operating lease rentals - land and buildings	2,508,904	2,315,542
Depreciation of tangible assets – owned (note 13)	1,320,810	1,405,228
Depreciation of assets held under finance lease or hire purchase (note 13)	366,468	65,625
Amortisation of intangible assets (note 12)	8,590,356	8,899,297
Goodwill impaired	-	3,495,915
Defined contribution pension costs (note 26)	568,696	607,795
Profit on disposal of tangible assets	(82,737)	-
Fees payable to the Group's auditor for the audit of the Group's annual accounts	140,098	125,000
Tax compliance services	29,068	35,005

7. Employees

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

	Group 2020 £	Group 2019 £
Wages and salaries	30,978,167	30,036,388
Social welfare costs	3,136,906	2,947,418
Pension costs	568,696	607,795
	34,683,769	33,591,601

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

	Group 2020	Group 2019
Administration and office management	134	39
Manufacturing and operations	663	714
Sales and marketing	50	22
	847	775

Pension payments recognised as an expense during the financial year amounted to £568,696 (2019: £607,795).

Notes to the financial statements

For the financial year ended 31 December 2020

8. Directors' remuneration

	Group 2020 £	Group 2019 £
Directors' emoluments	<u>500,662</u>	<u>1,382,574</u>

The highest paid director received a remuneration of £357,869 for the financial year ended 31 December 2020 (2019: £357,321).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of highest paid director amounted to £Nil for the financial year ended 31 December 2020 (2019: £9,331).

The total accrued pension provision of the highest paid director amounted to £Nil as of 31 December 2020 (2019: £Nil).

9. Interest receivable

	Group 2020 £	Group 2019 £
Bank interest receivable	<u>779</u>	<u>-</u>

10. Interest payable and similar expenses

	Group 2020 £	Group 2019 £ (as restated)
Bank interest payable	4,232,577	3,825,147
Loan note interest	267,077	398,958
Finance leases and hire purchase contracts	303,857	230,349
	<u>4,803,511</u>	<u>4,454,454</u>

Notes to the financial statements

For the financial year ended 31 December 2020

11. Taxation

	Group 2020 £	Group 2019 £
Corporation tax		
Current tax on profit / (loss) for the financial year	3,297,042	1,089,999
Total current tax	3,297,042	1,089,999
Deferred tax (note 23)	-	248,436
Taxation on profit / (loss) on ordinary activities	3,297,042	1,338,435

Factors affecting tax charge for the financial year

The tax assessed for the financial year is higher than (2019: higher than) the profit / (loss) for the year multiplied by the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	2020 £	2019 £ (as restated)
Profit/(loss) on ordinary activities before tax	5,568,852	(10,845,865)
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019: 19%)	1,058,082	(2,060,714)
Effects of:		
Expenses not deductible for tax purposes	1,636,955	2,885,108
Difference between capital allowances and depreciation for the year	113,237	91,739
Income subjected to higher tax rates	146,002	2,661
Research and development relief	(12,961)	(84,670)
Under provision in prior year foreign tax	593,675	-
Non-taxable income	(14,056)	-
Group relief	(508,775)	-
Deferred taxation	-	248,436
Difference in statutory tax rates	307,881	180,073
Differences due to prior period adjustment	(22,998)	75,802
Total tax charge for the financial year	3,297,042	1,338,435

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 2020

12. Intangible assets

Group

	Patents £	Software development £	Goodwill £	Capitalised development £	Total £
Cost or valuation					
At 1 January 2020	24,248	4,326,972	74,104,113	-	78,455,333
Additions	646	943,435	-	416,913	1,360,994
Transfer to group company	(11,813)	(948,188)	-	-	(960,001)
Currency translation	1,218	117,931	40,696	2,822	162,667
At 31 December 2020	14,299	4,440,150	74,144,809	419,735	79,018,993
Amortisation					
At 1 January 2020	16,509	1,073,141	15,409,623	-	16,499,273
Charge for the financial year	4,046	1,036,928	7,410,411	138,971	8,590,356
Transfer to group company	(7,863)	(316,066)	-	-	(323,929)
Currency translation	1,084	27,468	-	941	29,493
At 31 December 2020	13,776	1,821,471	22,820,034	139,912	24,795,193
Net book value					
At 31 December 2020	523	2,618,679	51,324,775	279,823	54,223,800
At 31 December 2019	7,739	3,253,831	58,694,490	-	61,956,060

Anord Mardix Acquisitions Limited

Notes to the financial statements

For the financial year ended 31 December 2020

13. Tangible assets

Group	Freehold property £	Long-term leasehold property £	Investment property £	Plant and machinery £	Motor vehicles £	Fixtures and fitting £	R&D capitalisation £	Total £
Cost or valuation								
At 1 January 2020	1,946,777	3,236,638	22,283	9,227,542	1,396,526	782,771	311,644	16,924,181
Additions	-	726,479	-	330,721	147,415	119,339	118,948	1,442,902
Disposals	(1,265,024)	(42,366)	-	(65,002)	(457,614)	(28,051)	-	(1,858,057)
Currency translation	72,421	40,098	927	103,580	2,166	11,289	13,770	244,251
At 31 December 2020	754,174	3,960,849	23,210	9,596,841	1,088,493	885,348	444,362	16,753,277
Depreciation and impairment								
At 1 January 2020	533,083	752,438	1,337	4,030,748	1,049,207	326,851	83,955	6,777,619
Charge for the financial year	15,424	419,648	-	848,766	166,074	119,193	118,173	1,687,278
Depreciation on disposal	(490,850)	-	-	(61,058)	(444,801)	(19,874)	-	(1,016,583)
Currency translation	18,958	1,020	56	25,994	2,102	4,759	4,285	57,174
At 31 December 2019	76,615	1,173,106	1,393	4,844,450	772,582	430,929	206,413	7,505,488
Net book value:								
At 31 December 2020	677,559	2,787,743	21,817	4,752,391	315,911	454,419	237,949	9,247,789
At 31 December 2019	1,413,694	2,484,200	20,946	5,196,794	347,319	455,920	227,689	10,146,562

As at 31 December 2020, net book value of assets held under finance lease and hire purchase agreements amounted to £2,197,669 (2019: £2,173,363).

Notes to the financial statements

For the financial year ended 31 December 2020

14. Fixed asset investments

Company

	Investment in subsidiaries £
Cost	
At 31 December 2019	96,422,160
At 31 December 2020	96,422,160

The directors are satisfied that the carrying value of the investment in subsidiaries held at the financial year end is not less than the recoverable amount.

Subsidiary undertakings

The following were subsidiary undertakings of the parent 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	Design and Manufacture of electric switchgear	Ordinary	90%

Notes to the financial statements

For the financial year ended 31 December 2020

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	The principal activity is that of a dormant company	Ordinary	100%
Anord Mardix IBAR (EMEA) Limited	Castle Mills, Aynam Road, Kendal, LA9 7DE, England	The principal activity is that of a dormant company	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 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Raw materials	7,264,012	3,317,481	-	-

As at 31 December 2020, provision for stock valuation amounted to £142,130 (2019: £170,526)

Notes to the financial statements

For the financial year ended 31 December 2020

16. Debtors

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due after more than one year				
Trade debtors - retentions	2,228,811	2,325,269	-	-
	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Due within one year				
Trade debtors	38,881,916	27,598,861	-	-
Amounts owed by group undertakings	11,244,779	9,097,035	-	7,860,256
Other debtors	1,336,739	1,460,966	932,986	1,161,399
Corporation tax repayable	75,720	851,138	-	-
VAT repayable	-	150,852	-	-
Prepayments	4,122,919	1,125,001	-	-
Accrued income	-	189,418	-	-
Amounts recoverable from long term contracts	18,059,811	11,560,462	-	-
	73,721,884	52,033,733	932,986	9,021,655

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

A provision of £256,147, (2019: £334,242) has been recognised against trade debtors.

17. Cash and cash equivalents

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Cash at bank and in hand	13,916,764	3,517,291	-	-

Notes to the financial statements

For the financial year ended 31 December 2020

18. Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £ (as restated)	Company 2020 £	Company 2019 £ (as restated)
Bank loans (Note 21)	-	5,566,773	-	5,566,773
Trade creditors	23,988,494	16,584,169	-	-
Amounts owed to group undertakings	13,647,618	13,675,091	5,278,382	4,148,610
Other taxation and social security	2,775,378	1,197,882	-	-
Obligations under finance lease and hire purchase contracts (Note 22)	341,143	398,323	-	-
Other creditors	514,984	682,996	257,718	347,760
Accruals	12,782,940	5,344,553	-	-
Payments on account in relation to long term contracts	19,418,055	4,121,429	-	-
Deferred income	126,222	-	-	-
	73,594,834	47,571,216	5,536,100	10,063,143

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 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.

The terms of payment on account in relation to long term contracts are based on their underlying contracts.

Deferred income represents unamortised portion of amounts billed in advance for license sales, and are amortised on a straight-line basis over the license period.

Schedule to the detailed accounts

For the financial year ended 31 December 2020

19. Creditors: amounts falling due after more than one year

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Bank loans (Note 21)	50,008,470	49,908,206	50,008,470	49,908,206
Net obligations under finance leases and hire purchase contracts (Note 22)	976,958	1,413,043	-	-
	<u>50,985,428</u>	<u>51,321,249</u>	<u>50,008,470</u>	<u>49,908,206</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 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Amounts falling due within one year	-	5,566,773	-	5,566,773
Amounts falling due between 2 to 5 years	50,008,470	49,908,206	50,008,470	49,908,206
	<u>50,008,470</u>	<u>55,474,979</u>	<u>50,008,470</u>	<u>55,474,979</u>

The bank loans and overdrafts are secured against assets of the Group. The Group has a facility agreement with Barings Global Advisors and Bank of Ireland, with a balance of £50,008,470 as at 31 December 2020. The loan is repayable between 2022 and 2025. The interest rate on the loan is LIBOR + 4.75%.

Schedule to the detailed accounts

For the financial year ended 31 December 2020

22. Hire purchase and finance leases

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

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Within one year	341,143	398,323	-	-
Between 1-5 years	956,007	1,272,257	-	-
Over 5 years	20,951	140,786	-	-
	1,318,101	1,811,366	-	-

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

23. Deferred taxation

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
At beginning of the financial year	360,239	152,834	-	-
Deferred tax charges	-	248,436	-	-
Movement in Anord Mardix (NI) Limited	-	(41,031)	-	-
At end of the financial year	360,239	360,239	-	-

The deferred taxation balance is made up as follows:

	Group 2020 £	Group 2018 £	Company 2020 £	Company 2019 £
Accelerated capital allowances	360,239	360,239	-	-

Schedule to the detailed accounts

For the financial year ended 31 December 2020

24. Share capital

	2020 £	2019 £
Authorised, allotted, called up and fully paid		
1 Ordinary share of £1.00	1	1

25. 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.

26. 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 financial year amounted to £568,696 (2019: £607,795). No prepayment or accrual arose as at 31 December 2020 (2019: £Nil).

27. Commitments under operating leases

At 31 December 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Land and buildings				
Not later than 1 year	2,403,132	2,257,178	-	-
Later than 1 year and not later than 5 years	9,836,546	9,453,433	-	-
Later than 5 years	5,157,665	7,305,301	-	-
	17,397,343	19,015,912	-	-

Schedule to the detailed accounts

For the financial year ended 31 December 2020

28. 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.

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 £500,662 (2019: £1,382,574).

29. Non-controlling interests

There is a 10% non-controlling interest in Mardix Asia Pte Limited. During the financial year ended 31 December 2020 this entity achieved a profit of £62,246 (2019: loss £7,473), and has accumulated deficits of £571,146 (2019: £633,392).

30. Post balance sheet events

On 1 January 2021, the United Kingdom left the European Union with a trade deal thereby avoiding potential negative consequences of a no deal Brexit. Although the Group is exposed to the uncertainties that long term impact of Brexit may bring to its customers, the directors have plans to mitigate any potential risks that may arise.

There were no other significant events since the year end up to date of approval of the financial statements, that would require revision of the results or financial position of the Group, or disclosure in the financial statements.

31. 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., the ultimate parent undertaking and controlling party incorporated in the United States of America. The registered office of ACS Acquisitions, Inc. is located at 2704 Seven Hills Blvd, Henrico, VA 23231, 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 2020

32. Prior period adjustment

FRS 102 Section 23.17 states that when the outcome of a construction contract can be estimated reliably, an entity shall recognise contract revenue and contract costs associated with the construction contract as revenue and expenses respectively by reference to the stage of completion of the contract activity at the end of the reporting period (often referred to as the percentage of completion method). Further, Section 23.25 states that when the outcome of a construction contract cannot be estimated reliably, an entity shall recognise revenue only to the extent of contract costs incurred that it is probable will be recoverable and the entity shall recognise contract costs as an expense in the period in which they are incurred. In addition, Section 2.52 of FRS 102 states that an entity shall not offset assets and liabilities, or income and expenses, unless required or permitted by an FRS.

Historically, management accounted for ongoing contracts not yet completed at year-end by recognising as amounts recoverable on long term contracts recorded under “debtors” and crediting the related contract costs incurred under “cost of sales” instead of crediting to “turnover”. This treatment resulted in an understatement of both turnover and costs of sales and as a result, the Group restated its prior year financial statements to correct this error.

The following adjustments were made:

	As previously stated 2019 £	Adjustment £	As restated 2019 £
Turnover	106,501,727	5,407,612	111,909,339
Cost of Sales	(77,219,476)	(5,407,612)	(82,627,088)

On 14 June 2017, ACS Acquisitions Ireland Limited issued an interest-bearing promissory note to the ultimate parent ACS Acquisitions, Inc., amounting to £8,814,186. Upon review by management, interest in relation to this promissory note was not accounted for in previous financial years. As a result, the Group restated the prior year financial statements to correct this omission.

The impact of this in 2019 is an interest charge of £398,958, amounts owed to group undertakings being increased by £924,594 and opening reserves being decreased by £525,636.

The following adjustments were made:

	As previously stated 2019 £	Adjustment £	As restated 2019 £
Profit and loss account	(21,199,254)	(525,636)	(21,724,890)
Interest expense	(4,055,496)	(398,958)	(4,454,454)
Amounts owed to group undertakings	12,750,497	924,594	13,675,091