

Company Registration No. SC180630 (Scotland)

CCL COMPONENTS LTD.
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2021



CCL COMPONENTS LTD.

COMPANY INFORMATION

Directors	P R E Brooks C W Gillan C Brooks
Company number	SC180630
Registered office	1 Cairn Court East Kilbride Glasgow G74 4NB
Auditor	RSM UK Audit LLP Chartered Accountants Third Floor Centenary House 69 Wellington Street Glasgow G2 6HG

CCL COMPONENTS LTD.

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Fair review of the business

After another exceptional year of growth, we continue our plan to gain additional market share within the UK market, the wider group growing its international footprint has its benefits in terms of scale and buying power which will be seen on the overall profitability.

With expectation of continued sales/market growth in the following years consideration has been made about expanding our available square footage either in England or a larger site in Scotland. Our customer base provides a variety of scale meaning we are not reliant on one particular group or customer.

CCL is still exporting well however we have seen this become more difficult with shipping costs increasing around the world.

Principal risks and uncertainties

There are many risks and uncertainties which can affect our overall annual performance, we ensure we monitor the market to mitigate against as many of the known risks and feel that our dynamic team and business strength allow us to navigate the unknowns. The principal risks which pose risks to the business include some of the following: Brexit, Covid-19, Foreign Exchange, market competition and Credit Management.

Brexit: Additional cost has been incurred in the clearance of goods along with delays in transport being cleared through customs. Customs duty is now applicable on some products which has resulted in price increases.

Market Competition: We monitor our different marketplaces to ensure we are aware of what challenges may present and the directors take necessary action to mitigate the potential risks.

Foreign Exchange: Forex levels can change depending on many factors, due to the level of imports it is important for our business for this to be regularly monitored. As a board we ensure we take the necessary action to limit any exposure.

Credit Management: As a lower margin business it is key for us to maintain the credit we offer to customers across our group, employing the relevant agencies to review accounts and mitigate loss as much as possible.

Corona Virus: The pandemic has been problematic for various reasons, as a business we will navigate this period with caution and take continual action to minimise risk to the business.

Transport/Supply Chain: Due to the challenges with supply chain constraints in the marketplace we have suffered extended lead times and increased focus on forecasting. These delays may have an affect on our customers projects but we have installed mitigating factors to avoid this were possible.

Key performance indicators

With increased levels of business and stabilising market conditions we have been able to increase both our turnover and profit. Margins are sitting at a level we are comfortable with; we expect to continue on this growth trajectory for the coming year and will monitor margins and turnover levels on a monthly basis to ensure we meet budget requirements.

Future developments

The UK enjoys a subsidy free market allowing for a much more stable outlook for revenue, in previous years the removal/reduction in these subsidies has led to peaks and troughs which always provide unique challenges for the business to navigate. The overall outlook for us is strong with renewables playing a bigger part in the residential and commercial power markets as seen in this year's COP26 Summit in Glasgow. Similar can be said in the wider European market and there are no expectations of downturns out with unknown inputs.

On behalf of the board



P R E Brooks
Director

Date: 22/9/22

CCL COMPONENTS LTD.

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2021

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

Principal activities

The principal activity of the company continued to be that of supplying high quality power solutions.

Results and dividends

The results for the year are set out on page 7.

Ordinary dividends were paid amounting to £90,000 (2020: £78,000). The directors do not recommend payment of a final dividend.

Directors

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

P R E Brooks

C W Gillan

C Brooks

(Appointed 1 March 2022)

(Appointed 1 March 2022)


Auditor

RSM UK Audit LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditors in the absence of an Annual General Meeting.

Statement of disclosure to auditor

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

On behalf of the board



P R E Brooks

Director

Date: 28/7/22

CCL COMPONENTS LTD.

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2021

The directors are responsible for preparing the Strategic Report and the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CCL COMPONENTS LTD.

Opinion

We have audited the financial statements of CCL Components Ltd. (the 'company') for the year ended 31 December 2021 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CCL COMPONENTS LTD. (CONTINUED)

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CCL COMPONENTS LTD. (CONTINUED)

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102 and the Companies Act 2006. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures.

The audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business and using data analytics to test transactions impacting revenue that do not follow the usual transaction flow, testing revenue transactions recorded near to the year end and ensuring that they have been recorded in the correct period.

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

Use of our report

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

Linda Gray

Linda Gray (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
Third Floor
Centenary House
69 Wellington Street
Glasgow
G2 6HG

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29/09/22

CCL COMPONENTS LTD.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2021

	Notes	2021 £	2020 £
Turnover	3	39,542,518	22,442,179
Cost of sales		(35,921,096)	(20,225,007)
Gross profit		3,621,422	2,217,172
Administrative expenses		(1,658,447)	(1,693,299)
Other operating income		455,885	371,278
Operating profit	6	2,418,860	895,151
Interest receivable and similar income	7	300	-
Interest payable and similar expenses	8	(16,151)	(10,336)
Other gains and losses	9	28,921	-
Profit before taxation		2,431,930	884,815
Tax on profit	10	(452,665)	(156,181)
Profit for the financial year		1,979,265	728,634

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CCL COMPONENTS LTD.**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

	Notes	2021 £	£	2020 £	£
Fixed assets					
Intangible assets	12		134,774		41,756
Tangible assets	13		67,208		86,575
			<u>201,982</u>		<u>128,331</u>
Current assets					
Stocks	14	4,956,486		2,884,022	
Debtors	15	9,609,830		5,523,277	
Cash at bank and in hand		825,720		22,523	
		<u>15,392,036</u>		<u>8,429,822</u>	
Creditors: amounts falling due within one year	16	<u>(8,473,515)</u>		<u>(3,936,825)</u>	
Net current assets			<u>6,918,521</u>		<u>4,492,997</u>
Total assets less current liabilities			<u>7,120,503</u>		<u>4,621,328</u>
Creditors: amounts falling due after more than one year	17		(590,000)		(2,895)
Provisions for liabilities	20		<u>(45,214)</u>		<u>(22,409)</u>
Net assets			<u><u>6,485,289</u></u>		<u><u>4,596,024</u></u>
Capital and reserves					
Called up share capital	23		100		100
Profit and loss reserves	24		<u>6,485,189</u>		<u>4,595,924</u>
Total equity			<u><u>6,485,289</u></u>		<u><u>4,596,024</u></u>

The financial statements were approved by the board of directors and authorised for issue on 28 September 2022 and are signed on its behalf by:



P R E Brooks
Director

CCL COMPONENTS LTD.

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

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2020		100	3,945,290	3,945,390
Year ended 31 December 2020:				
Profit and total comprehensive income for the year		-	728,634	728,634
Dividends	11	-	(78,000)	(78,000)
Balance at 31 December 2020		100	4,595,924	4,596,024
Year ended 31 December 2021:				
Profit and total comprehensive income for the year		-	1,979,265	1,979,265
Dividends	11	-	(90,000)	(90,000)
Balance at 31 December 2021		100	6,485,189	6,485,289

CCL COMPONENTS LTD.

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

1 Accounting policies

Company information

CCL Components Ltd. is a private company limited by shares and is registered and incorporated in Scotland. The registered office is 1 Cairn Court, East Kilbride, Glasgow, G74 4NB.

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

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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

The Company has taken advantage of the exemption from disclosing the following information, as permitted by the reduced disclosure regime within FRS102 :-

- Section 7 'Statement of Cash Flows' - Presentation of a Statement of Cash Flow and related notes and disclosures.
- Section 11 'Basic Financial Instruments' & Section 12 'Other Financial Instrument Issues' - Interest income/expense and net gains/losses for financial instruments not measured at fair value, amount of any impairment loss, risks arising from financial instruments, and transferred financial asset not derecognised, loan defaults or breaches, and descriptions of hedging relationships.
- Section 33 'Related Party Disclosures' - Compensation for key management personnel.

Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Intangible fixed assets other than goodwill

Intangible assets acquired separately from a business are recognised at cost and are subsequently measured at cost less accumulated amortisation and accumulated impairment losses.

Intangible assets acquired on business combinations are recognised separately from goodwill at the acquisition date where it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the fair value of the asset can be measured reliably; the intangible asset arises from contractual or other legal rights; and the intangible asset is separable from the entity.

Amortisation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Software and website development costs	25% straight line
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CCL COMPONENTS LTD.

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

1 Accounting policies (Continued)

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold improvements	10% straight line
Plant and machinery	15% straight line
Fixtures and fittings	15% straight line
IT equipment	25% straight line
Motor vehicles	25% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

Stocks held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand.

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade, group and other debtors, and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Other financial assets

Other financial assets, including trade investments, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Impairment of financial assets

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

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2021

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments where the contractual returns, repayment of the principal, or other terms (such as prepayment provisions or term extensions) do not meet the conditions to be measured at amortised cost, are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

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

Equity instruments

Equity instruments issued by the company are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

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

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

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

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

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

CCL COMPONENTS LTD.

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

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

Government grants

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

Foreign exchange

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

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

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

CCL COMPONENTS LTD.

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

2 Judgements and key sources of estimation uncertainty

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

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

Key sources of estimation uncertainty

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are as follows.

Intangible Fixed Assets

In determining amortisation rates, management must consider and make judgements on the estimated future cash flows expected to be generated from goodwill acquired, and also the useful life.

Tangible Fixed Assets

Tangible fixed assets 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 a 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.

Investments

The most critical estimates, assumptions and judgements relate to the determination of the carrying value of unlisted investments at fair value through profit and loss. In determining this amount, the company applies the overriding concept that fair value is the amount for which an asset can be exchanged between knowledgeable willing parties in an arm's length transaction. The nature, facts and circumstance of the investment drives the valuation methodology.

Stock

The requirement for any provision against stock is based on an assessment of the objective evidence available. Management must consider and make judgements with regards to this.

Bad and doubtful debts

The requirement for any provision for bad or doubtful debts is based on an assessment of the objective evidence available suggesting that a debtor may not be recoverable. Although due care is applied to this process there is a degree of estimation uncertainty.

3 Turnover and other revenue

	2021 £	2020 £
Turnover analysed by class of business		
Sale of goods	39,542,518	22,442,179

CCL COMPONENTS LTD.

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

3 Turnover and other revenue (Continued)

	2021 £	2020 £
Other revenue		
Interest income	300	-
Grants received	35,620	44,967
Sundry income	-	4,000
Rebates from suppliers	420,265	322,311
	<u> </u>	<u> </u>
	2021 £	2020 £
Turnover analysed by geographical market		
UK	29,871,647	13,760,282
Europe and Rest of the World	9,670,871	8,681,897
	<u> </u>	<u> </u>
	39,542,518	22,442,179
	<u> </u>	<u> </u>

The analysis of turnover by geographical location has been provided as above, any further split of turnover would be prejudicial to the interest of the group.

4 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Directors	1	1
Sales	14	11
Office and admin	7	8
Warehouse and manufacturing	6	4
	<u> </u>	<u> </u>
Total	28	24
	<u> </u>	<u> </u>

Their aggregate remuneration comprised:

	2021 £	2020 £
Wages and salaries	874,036	527,671
Social security costs	72,150	63,108
Pension costs	23,174	15,481
	<u> </u>	<u> </u>
	969,360	606,260
	<u> </u>	<u> </u>

CCL COMPONENTS LTD.

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

5 Directors' remuneration

	2021 £	2020 £
Remuneration for qualifying services	11,800	10,800
Company pension contributions to defined contribution schemes	354	324
	<u>12,154</u>	<u>11,124</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2020 - 1).

6 Operating profit

	2021 £	2020 £
Operating profit for the year is stated after charging/(crediting):		
Exchange differences apart from those arising on financial instruments measured at fair value through profit or loss	(156,739)	39,131
Government grants	(35,620)	(44,967)
Fees payable to the company's auditor for the audit of the company's financial statements	16,120	12,750
Depreciation of owned tangible fixed assets	44,572	14,793
Depreciation of tangible fixed assets held under finance leases	2,078	2,430
Loss on disposal of tangible fixed assets	4,463	-
Amortisation of intangible assets	11,623	6,038
Operating lease charges	<u>176,104</u>	<u>159,030</u>

7 Interest receivable and similar income

	2021 £	2020 £
Interest income		
Interest on bank deposits	<u>300</u>	<u>-</u>
Investment income includes the following:		
Interest on financial assets not measured at fair value through profit or loss	<u>300</u>	<u>-</u>

CCL COMPONENTS LTD.

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

8	Interest payable and similar expenses	2021	2020
		£	£
	Interest on financial liabilities measured at amortised cost:		
	Interest on bank overdrafts and loans	-	270
	Interest on invoice finance arrangements	15,452	9,427
		<u>15,452</u>	<u>9,697</u>
	Other finance costs:		
	Interest on finance leases and hire purchase contracts	699	639
		<u>16,151</u>	<u>10,336</u>
9	Other gains and losses	2021	2020
		£	£
	Other gains and losses	28,921	-
		<u>28,921</u>	<u>-</u>
10	Taxation	2021	2020
		£	£
	Current tax		
	UK corporation tax on profits for the current period	439,773	148,106
	Adjustments in respect of prior periods	(9,913)	-
	Total current tax	<u>429,860</u>	<u>148,106</u>
	Deferred tax		
	Origination and reversal of timing differences	22,805	8,075
		<u>22,805</u>	<u>8,075</u>
	Total tax charge	<u>452,665</u>	<u>156,181</u>

CCL COMPONENTS LTD.

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

10 Taxation (Continued)

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

	2021 £	2020 £
Profit before taxation	2,431,930	884,815
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	462,067	168,115
Tax effect of expenses that are not deductible in determining taxable profit	559	570
Tax effect of income not taxable in determining taxable profit	(5,495)	-
Adjustments in respect of prior years	(9,913)	(14,190)
Group relief	(2,563)	-
Permanent capital allowances in excess of depreciation	(2,841)	-
Deferred tax adjustments in respect of prior years	10,851	1,686
Taxation charge for the year	452,665	156,181

11 Dividends

	2021 £	2020 £
Interim paid	90,000	78,000

12 Intangible fixed assets

	Software and website development costs £
Cost	
At 1 January 2021	47,794
Additions	104,641
At 31 December 2021	152,435
Amortisation and impairment	
At 1 January 2021	6,038
Amortisation charged for the year	11,623
At 31 December 2021	17,661
Carrying amount	
At 31 December 2021	134,774
At 31 December 2020	41,756

CCL COMPONENTS LTD.

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

13 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	IT equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2021	20,679	57,750	88,460	49,713	24,232	240,834
Additions	13,350	6,618	-	11,230	-	31,198
Disposals	-	(34,864)	-	(24,745)	-	(59,609)
At 31 December 2021	34,029	29,504	88,460	36,198	24,232	212,423
Depreciation and impairment						
At 1 January 2021	12,027	29,345	62,209	30,050	20,628	154,259
Depreciation charged in the year	4,763	10,508	21,361	7,844	2,174	46,650
Eliminated in respect of disposals	-	(30,949)	-	(24,745)	-	(55,694)
At 31 December 2021	16,790	8,904	83,570	13,149	22,802	145,215
Carrying amount						
At 31 December 2021	17,239	20,600	4,890	23,049	1,430	67,208
At 31 December 2020	8,652	28,405	26,251	19,663	3,604	86,575

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2021 £	2020 £
Plant and machinery	12,314	14,392

14 Stocks

	2021 £	2020 £
Finished goods and goods for resale	4,956,486	2,884,022

15 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	3,872,604	2,120,598
Amounts owed by group undertakings	3,530,259	411,840
Other debtors	-	5,627
Prepayments and accrued income	2,206,967	139,143
	9,609,830	2,677,208

CCL COMPONENTS LTD.

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

15 Debtors (Continued)

	2021 £	2020 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	-	2,846,069
Total debtors	9,609,830	5,523,277

16 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans	18	90,000	-
Obligations under finance leases	19	2,689	5,040
Other borrowings	18	20,000	-
Trade creditors		4,948,261	2,068,672
Corporation tax		439,773	162,840
Other taxation and social security		1,163,781	641,725
Other creditors		1,552,030	715,428
Accruals and deferred income		256,981	343,120
		8,473,515	3,936,825

The bank loan included above is secured by a fixed and floating charge over the assets of the company.

17 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	18	510,000	-
Obligations under finance leases	19	-	2,895
Other borrowings	18	80,000	-
		590,000	2,895

CCL COMPONENTS LTD.

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

18 Borrowings

	2021 £	2020 £
Bank loans	600,000	-
Other loans	100,000	-
	<u>700,000</u>	<u>-</u>
Payable within one year	110,000	-
Payable after one year	<u>590,000</u>	<u>-</u>

The long-term loans are secured by floating and fixed charges over the assets of the company.

Bank loans represent amounts owed to Barclays in respect of a Coronavirus Business Interruption Loan (CBIL). The loan has a capital repayment holiday period of 12 months and interest is charged annually at a rate of 3.1%.

Other loans represent amounts owed to DSL Business Finance Limited. The loan has no capital holiday period and 0% interest is charged.

19 Finance lease obligations

	2021 £	2020 £
Future minimum lease payments due under finance leases:		
Less than one year	2,689	5,040
Between one and five years	-	2,895
	<u>2,689</u>	<u>7,935</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 3.5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

20 Provisions for liabilities

	Notes	2021 £	2020 £
Deferred tax liabilities	21	<u>45,214</u>	<u>22,409</u>

CCL COMPONENTS LTD.

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

21 Deferred taxation

The major deferred tax liabilities and assets recognised by the company are:

	Liabilities 2021 £	Liabilities 2020 £
Balances:		
Accelerated capital allowances	46,195	22,409
Short term timing differences	(981)	-
	<u>45,214</u>	<u>22,409</u>
		2021
Movements in the year:		£
Liability at 1 January 2021		22,409
Charge to profit or loss		22,805
		<u>45,214</u>
Liability at 31 December 2021		<u>45,214</u>

The deferred tax liability set out above is expected to reverse within 12 months and relates to accelerated capital allowances that are expected to mature within the same period.

22 Retirement benefit schemes

	2021 £	2020 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	23,174	15,481
	<u>23,174</u>	<u>15,481</u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

23 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital				
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

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

24 Reserves

Profit and loss account

Cumulative profit and loss net of distributions to owners.

CCL COMPONENTS LTD.

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

25 Financial charges

The company has fixed and floating charges. The fixed charges are over the whole right title and interest of the company in and to the policy, together with all the rights attaching to the policy. The floating charges are over the whole property, assets and rights (including uncalled capital) which are or may from time to time while the charges are in force to be compromised in the property and undertakings of the company.

26 Operating lease commitments.

Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2021 £	2020 £
Within one year	68,562	95,209
Between one and five years	247,575	276,729
In over five years	-	41,889
	<u>316,137</u>	<u>413,827</u>

27 Related party transactions

The company has taken advantage of the exemption granted by section 33.1A of FRS102 not to disclose transactions with other group companies.

During the year, the company contracted sales of £110,354 (2020 - £143,081) with a company under common control. The company also made purchases of £69,246 (2020 - £3,800) from a company under common control.

During the year, the company paid a management fee of £nil (2020 - £160,000) to a company under common control, there was a balance of £100,000 (2020 - £nil) outstanding at the year end.

28 Ultimate parent company

The company is a subsidiary of CCL Energy Group Limited, a company incorporated in Scotland.

The company's ultimate parent undertaking is CCL Energy Group Limited, a company incorporated in Scotland. Group accounts for CCL Energy Group Limited are available from Companies House, 4th Floor, Quay 2, 139 Fountainbridge, Edinburgh, EH3 9FF.

The smallest and largest group for which financial statements are drawn up and of which the company is a member is CCL Energy Group Limited. Its registered office and address from which group financial statements can be obtained is 1 Cairn Court, East Kilbride, Glasgow, G74 4NB.