

Company Registration No. SC180630 (Scotland)

CCL COMPONENTS LTD.
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



COMPANIES HOUSE

29 SEP 2021

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CCL COMPONENTS LTD.

COMPANY INFORMATION

Director	P R E 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 2020

The director presents the strategic report for the year ended 31 December 2020.

Fair review of the business

We have had a stable year during such challenging times but are confident around the long-term position of the business, CCL Components still managed to return a profit during this unprecedented time.

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: Coronavirus, Brexit, Foreign Exchange, Market Competition, Credit Management and Logistics.

Coronavirus: The pandemic has caused much cause for concern with many of our principal industries being affected with lockdown and general restrictions to operations. We will navigate this period with caution with continual action to minimise risk to the business.

Brexit: As an importer Brexit provides a unique challenge due to the unknown of how the market will be affected, as a group we are taking the necessary steps to mitigate against what potential issues may arise to avoid any business interruption.

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: With increasing uncertainty due to factors like Brexit it is a key area for us to ensure we monitor and manage our position. 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.

Logistics: Due to the challenges with Brexit and Coronavirus we have seen significant delays on our supply chain. These delays may have an effect on our customers projects but we have installed mitigating factors to avoid this were possible.

Key performance indicators

This year we have met our adjusted financial KPI's seeing a relatively stable and positive outcome despite the current situation.

Future developments

The UK market has now removed subsidies which allows 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.

On behalf of the board



P R E Brooks
Director

Date: 29/9/21

CCL COMPONENTS LTD.

DIRECTOR'S REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director presents his annual report and financial statements for the year ended 31 December 2020.

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 £78,000 (2019: £75,300). The directors do not recommend payment of a final dividend.

Director

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

P R Brooks

(Resigned 31 December 2020)

K Brooks

(Resigned 31 December 2020)

P R E Brooks

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 he ought to have taken as a director in order to make himself 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: 29/9/21

CCL COMPONENTS LTD.

DIRECTOR'S RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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 2020 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 2020 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 director's 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 director 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 director is 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 director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's 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 director's 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement set out on page 3, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has 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 material misstatement of management override of control as the area where the financial statements were most susceptible 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 any significant, unusual transactions and transactions entered into outside the normal course of business.

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 him in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

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
29 September 2021

CCL COMPONENTS LTD.

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020 £	2019 £
Turnover	3	22,442,179	25,189,485
Cost of sales		(20,225,007)	(22,065,602)
Gross profit		2,217,172	3,123,883
Administrative expenses		(1,693,299)	(1,989,187)
Other operating income		371,278	149,592
Operating profit	6	895,151	1,284,288
Interest payable and similar expenses	7	(10,336)	(21,129)
Profit before taxation		884,815	1,263,159
Tax on profit	8	(156,181)	(233,200)
Profit for the financial year		728,634	1,029,959

CCL COMPONENTS LTD.**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	10		41,756		-
Tangible assets	11		86,575		95,178
			<u>128,331</u>		<u>95,178</u>
Current assets					
Stocks	12	2,884,022		2,056,223	
Debtors	13	5,523,277		4,946,917	
Cash at bank and in hand		22,523		223,748	
		<u>8,429,822</u>		<u>7,226,888</u>	
Creditors: amounts falling due within one year	14	<u>(3,936,825)</u>		<u>(3,354,613)</u>	
Net current assets			<u>4,492,997</u>		<u>3,872,275</u>
Total assets less current liabilities			<u>4,621,328</u>		<u>3,967,453</u>
Creditors: amounts falling due after more than one year	15		(2,895)		(7,729)
Provisions for liabilities	17		(22,409)		(14,334)
Net assets			<u>4,596,024</u>		<u>3,945,390</u>
Capital and reserves					
Called up share capital	20		100		100
Profit and loss reserves	21		4,595,924		3,945,290
Total equity			<u>4,596,024</u>		<u>3,945,390</u>

The financial statements were approved by the board of directors and authorised for issue on 29/9/21 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 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 January 2019		100	2,990,631	2,990,731
Year ended 31 December 2019:				
Profit and total comprehensive income for the year		-	1,029,959	1,029,959
Dividends	9	-	(75,300)	(75,300)
Balance at 31 December 2019		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	9	-	(78,000)	(78,000)
Balance at 31 December 2020		100	4,595,924	4,596,024

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020

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 Director's 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 director has a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the director continues 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% reducing balance
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CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

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% reducing balance
Fixtures and fittings	15% reducing balance
IT equipment	25% reducing balance
Motor vehicles	25% reducing balance

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 2020

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 2020

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 2020

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 2020

2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the director is 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 Areas of Estimation Uncertainty

The director of the company does not believe there are any key areas of estimation uncertainty that would lead to a significant risk of material misstatement.

3 Turnover and other revenue

	2020	2019
	£	£
Turnover analysed by class of business		
Sale of goods	22,442,179	25,189,485
	<u> </u>	<u> </u>
	2020	2019
	£	£
Other revenue		
Grants received	44,967	17,458
Sundry income	4,000	3,000
Rebates from suppliers	322,311	129,134
	<u> </u>	<u> </u>
	2020	2019
	£	£
Turnover analysed by geographical market		
UK	13,760,282	18,155,518
Europe and Rest of the World	8,681,897	7,033,967
	<u> </u>	<u> </u>
	22,442,179	25,189,485
	<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.

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

4 Employees

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

	2020 Number	2019 Number
Directors	1	1
Sales	11	9
Office and admin	8	7
Warehouse and manufacturing	4	3
Total	24	20

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	527,671	689,812
Social security costs	63,108	57,366
Pension costs	15,481	10,376
	606,260	757,554

5 Director's remuneration

	2020 £	2019 £
Remuneration for qualifying services	10,800	13,647
Company pension contributions to defined contribution schemes	324	112
	11,124	13,759

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

6 Operating profit

	2020	2019
	£	£
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	39,131	(120,757)
Government grants	(44,967)	(17,458)
Fees payable to the company's auditor for the audit of the company's financial statements	12,750	9,500
Depreciation of owned tangible fixed assets	14,793	14,348
Depreciation of tangible fixed assets held under finance leases	2,430	2,728
Amortisation of intangible assets	6,038	-
Cost of stocks recognised as an expense	20,225,007	22,065,602
Operating lease charges	159,030	108,038
	<u> </u>	<u> </u>

7 Interest payable and similar expenses

	2020	2019
	£	£
Interest on financial liabilities measured at amortised cost:		
Interest on bank overdrafts and loans	270	345
Interest on invoice finance arrangements	9,427	20,141
	<u> </u>	<u> </u>
	9,697	20,486
Other finance costs:		
Interest on finance leases and hire purchase contracts	639	643
	<u> </u>	<u> </u>
	10,336	21,129
	<u> </u>	<u> </u>

8 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	148,106	231,671
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	8,075	1,529
	<u> </u>	<u> </u>
Total tax charge	<u>156,181</u>	<u>233,200</u>

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

8 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:

	2020 £	2019 £
Profit before taxation	884,815	1,263,159
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	168,115	240,000
Tax effect of expenses that are not deductible in determining taxable profit	570	-
Adjustments in respect of prior years	(14,190)	-
Group relief	-	(6,621)
Deferred tax adjustments in respect of prior years	1,686	-
Adjust closing deferred tax to average rate of 17.00%	-	(1,686)
Adjust opening deferred tax to average rate of 17.00%	-	1,507
Taxation charge for the year	156,181	233,200

9 Dividends

	2020 £	2019 £
Interim paid	78,000	75,300

10 Intangible fixed assets

	Software and website development costs £
Cost	
Additions	47,794
At 31 December 2020	47,794
Amortisation and impairment	
Amortisation charged for the year	6,038
At 31 December 2020	6,038
Carrying amount	
At 31 December 2020	41,756
At 31 December 2019	-

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Tangible fixed assets

	Leasehold improvements £	Plant and machinery £	Fixtures and fittings £	IT equipment £	Motor vehicles £	Total £
Cost						
At 1 January 2020	19,132	57,750	83,618	49,713	22,001	232,214
Additions	1,547	-	4,842	-	2,231	8,620
At 31 December 2020	20,679	57,750	88,460	49,713	24,232	240,834
Depreciation and impairment						
At 1 January 2020	9,953	24,473	58,216	24,595	19,799	137,036
Depreciation charged in the year	2,074	4,872	3,993	5,455	829	17,223
At 31 December 2020	12,027	29,345	62,209	30,050	20,628	154,259
Carrying amount						
At 31 December 2020	8,652	28,405	26,251	19,663	3,604	86,575
At 31 December 2019	9,179	33,277	25,402	25,118	2,202	95,178

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

	2020 £	2019 £
Plant and machinery	14,392	16,822

12 Stocks

	2020 £	2019 £
Finished goods and goods for resale	2,884,022	2,056,223

13 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	2,120,598	1,783,427
Amounts owed by group undertakings	411,840	256,703
Other debtors	5,627	-
Prepayments and accrued income	139,143	163,908
	2,677,208	2,204,038

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

13 Debtors (Continued)

	2020 £	2019 £
Amounts falling due after more than one year:		
Amounts owed by group undertakings	2,846,069	2,742,879
Total debtors	5,523,277	4,946,917

14 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	16	5,040	5,040
Trade creditors		2,068,672	927,446
Corporation tax		162,840	231,671
Other taxation and social security		641,725	420,507
Other creditors		715,428	1,327,475
Accruals and deferred income		343,120	442,474
		3,936,825	3,354,613

15 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	16	2,895	7,729

16 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Less than one year	5,040	5,040
Between one and five years	2,895	7,729
	7,935	12,769

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.

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

17 Provisions for liabilities

	Notes	2020 £	2019 £
Deferred tax liabilities	18	22,409	14,334

18 Deferred taxation

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

	Liabilities 2020 £	Liabilities 2019 £
Balances:		
Accelerated capital allowances	14,334	14,334
Statutory database figures differ from the trial balance:		
Deferred tax balances	22,409	14,334
Difference	(8,075)	-
Balance per TB		22,409
Warning - Difference exists; check stat db entries		8,075

There were no deferred tax movements in the year.

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.

19 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	15,481	10,376

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. Contributions totalling £nil (2019: £3,102) were payable to the fund at the year end and are included in creditors.

20 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100

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.

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

21 Reserves

Profit and loss account

Cumulative profit and loss net of distributions to owners.

22 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.

23 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:

	2020 £	2019 £
Within one year	95,209	116,931
Between one and five years	276,729	286,108
In over five years	41,889	110,638
	<u>413,827</u>	<u>513,677</u>

CCL COMPONENTS LTD.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 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 provided a loan of £nil (2019 - £165,722) to a company under common control. A commission charge of £nil (2019 - £113,592) was paid to the company under common control. The balance at the year end owed by the company under common control was £nil (2019 - £nil) due to the balance of £318,155 being written off in the prior year.

During the year, the company contracted sales of £143,081 (2019 - £64,302) with a company under common control, they also paid expenses of £nil (2019 - £4,440) on behalf of the company which were recharged to the company under common control. The company also made purchases of £3,800 (2019 - £nil) from a company under common control.

During the year, the company paid a management fee of £160,000 (2019 - £120,000) to a company under common control, there was no balance (2019 - £nil) outstanding at the year end.

25 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, 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. Its registered office and address from which group financial statements can be obtained is 1 Cairn Court, East Kilbride, Glasgow, G74 4NB.