

Northern Drives & Controls Limited

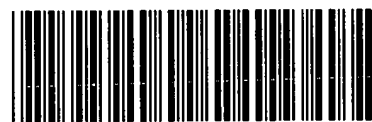
Unaudited Report and Financial Statements

Year Ended

31 December 2021

Company Number 03098497

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Northern Drives & Controls Limited

Company Information

Directors	D G Griffin J Griffin
Company secretary	D G Griffin
Registered number	03098497
Registered office	Clarke Industrial Estate St Mowden Road Manchester M32 0ZF
Accountants	BDO LLP 3 Hardman Street Manchester M3 3AT

Northern Drives & Controls Limited

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Northern Drives & Controls Limited

Chartered Accountants' Report to the Board of Directors on the preparation of the unaudited financial statements of Northern Drives & Controls Limited for the year ended 31 December 2021

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Northern Drives & Controls Limited for the year ended 31 December 2021 which comprise the Statement of Financial Position and the related notes from the company's accounting records and from information and explanations you have given us.

As a practising member firm of the Institute of Chartered Accountants in England and Wales (ICAEW), we are subject to its ethical and other professional requirements which are detailed at <https://www.icaew.com/regulation/a-z>.

It is your duty to ensure that Northern Drives & Controls Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and profit of Northern Drives & Controls Limited. You consider that Northern Drives & Controls Limited is exempt from the statutory audit requirement for the year.

We have not been instructed to carry out an audit or review of the financial statements of Northern Drives & Controls Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

Use of our report

This report is made solely to the Board of Directors of Northern Drives & Controls Limited, as a body, in accordance with the terms of our engagement letter dated 28 June 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Northern Drives & Controls Limited and state those matters that we have agreed to state to the Board of Directors of Northern Drives & Controls Limited, as a body, in this report in accordance with ICAEW Technical Release TECH07/16AAF. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Northern Drives & Controls Limited and its Board of Directors, as a body, for our work or for this report.

BDO LLP

Chartered Accountants
Manchester
UK
Date: 22 June 2022

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Northern Drives & Controls Limited
Registered number:03098497

Statement of Financial Position
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	5	654,454	620,613
Investments	6	27,328	27,328
		<u>681,782</u>	<u>647,941</u>
Current assets			
Stocks	7	223,811	253,846
Debtors: amounts falling due after more than one year	8	105,548	87,932
Debtors: amounts falling due within one year	8	1,144,935	1,195,291
Cash at bank and in hand		2,424,672	2,081,353
		<u>3,898,966</u>	<u>3,618,422</u>
Creditors: amounts falling due within one year	9	(536,607)	(551,454)
Net current assets		<u>3,362,359</u>	<u>3,066,968</u>
Total assets less current liabilities		<u>4,044,141</u>	<u>3,714,909</u>
Creditors: amounts falling due after more than one year	10	(55,936)	(70,553)
Provisions for liabilities			
Deferred tax	12	(87,144)	(27,451)
		<u>(87,144)</u>	<u>(27,451)</u>
Net assets		<u><u>3,901,061</u></u>	<u><u>3,616,905</u></u>

Northern Drives & Controls Limited

Registered number:03098497

Statement of Financial Position (continued) As at 31 December 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	13	1	1
Profit and loss account		3,901,060	3,616,904
		<u>3,901,061</u>	<u>3,616,905</u>

The directors consider that the company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

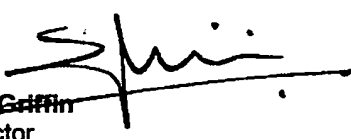
The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 June 2022.


D.G. Griffin
Director

The notes on pages 4 to 15 form part of these financial statements.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

1. General Information

Northern Drives & Controls Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act 2006. The address of the registered office is shown on the Company Information page. The nature of the company's operations and its principal activities was that of industrial electronic repairs and installations.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The company is a parent undertaking of a small group and as such is not required by the Companies Act 2006 to prepare group accounts. These financial statements therefore present information about the company as individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have a reasonable expectation that the Company has adequate resources to continue in existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the company has transferred the significant risks and rewards of ownership to the buyer;
- the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Interest income

Interest income is recognised in profit or loss using the effective interest method.

2.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.5 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Improvements to leasehold property	- 10% straight line
Plant & machinery	- 10% and 25% straight line
Motor vehicles	- 25% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Stocks

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

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

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.10 Financial Instruments

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than its legal form.

The company's cash at bank and in hand and trade and other debtors and its trade and other creditors and bank overdrafts are measured initially at the transaction price, including transaction costs, and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year are measured at the undiscounted amount of the cash or other consideration expected to be paid or received.

Investments in unlisted company shares are carried at cost less impairment.

2.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.12 Government grants

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

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Payments received from the Government were for furloughed employees under the Coronavirus Job Retention Scheme. These payments are included within other income. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.13 Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP and all amounts in these financial statements have been rounded to the nearest pound.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income within 'administrative expenses'.

2.14 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.15 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.16 Operating leases: the company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

2. Accounting policies (continued)

2.17 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the company in independently administered funds.

2.18 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

2.19 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

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

In preparing these financial statements, the director has had to make the following judgments:

- Determine whether there are indicators of impairment of the company's tangible and intangible assets, including goodwill. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether the stock balances are valued correctly, which is required and is based on up to date trading information. The directors use their knowledge of the business, the trading environment and future projections to assess whether a provision is necessary in these areas.

Other key sources of estimation uncertainty

- **Tangible fixed assets (see note 5)**
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 the number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.
- **Investments (see notes 6)**
Critical estimates, assumptions and judgements relate to the determination of carrying value of investments at fair value through the Statement of Comprehensive Income. There is a degree of judgement involved in assessing whether the investment value requires impairment for which the directors will consider the market value of investments and cash flow generation.

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

4. Employee numbers

The average monthly number of employees, including directors, during the year was 33 (2020 - 31).

5. Tangible fixed assets

	Improve- ments to leasehold property £	Plant & machinery £	Motor vehicles £	Total £
Cost or valuation				
At 1 January 2021	394,839	677,891	112,557	1,185,287
Additions	98,415	122,648	15,390	236,453
At 31 December 2021	<u>493,254</u>	<u>800,539</u>	<u>127,947</u>	<u>1,421,740</u>
Depreciation				
At 1 January 2021	66,758	468,405	29,511	564,674
Charge for the year on owned assets	51,473	123,356	27,783	202,612
At 31 December 2021	<u>118,231</u>	<u>591,761</u>	<u>57,294</u>	<u>767,286</u>
Net book value				
At 31 December 2021	<u>375,023</u>	<u>208,778</u>	<u>70,653</u>	<u>654,454</u>
At 31 December 2020	<u>328,081</u>	<u>209,486</u>	<u>83,046</u>	<u>620,613</u>

The net book value of assets held under finance leases or hire purchase contracts, included above total £56,283 (2020: £75,579).

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2021	27,328
At 31 December 2021	<u>27,328</u>

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

6. Fixed asset investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding
Northern Drives and Controls Espana SL	Industrial electronic repair and installation	Ordinary	100%
Northern Drives and Controls Italia S.R.L	Industrial electronic repair and installation	Ordinary	100%
NDC Deutschland GmbH	Industrial electronic repair and installation	Ordinary	100%

The registered office of Northern Drives and Controls Espana SL is Nave Industrial Site, La Avenida Fuentemar No. 20, Nave A9, Del Poligono Industrial, Del Termino Municipal de Coslada, 28823 Madrid, Spain.

The registered office of Northern Drives and Controls Italia S.R.L is Via Sardegna No.21, 20146 Milan, Italy.

The registered office of NDC Deutschland GmbH is Caffamacherreihe 20, 20355 Hamburg, Germany.

7. Stocks

	2021 £	2020 £
Raw materials and consumables	219,396	242,027
Work in progress	579	6,662
Finished goods and goods for resale	3,836	5,157
	<u>223,811</u>	<u>253,846</u>

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

8. Debtors

	2021 £	2020 £
Due after more than one year		
Amounts owed by group undertakings	105,548	87,932
	<u>105,548</u>	<u>87,932</u>
	2021 £	2020 £
Due within one year		
Trade debtors	578,811	589,390
Amounts owed by group undertakings	271,742	279,982
Other debtors	163,898	136,856
Prepayments and accrued income	130,484	189,063
	<u>1,144,935</u>	<u>1,195,291</u>

9. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	304,505	285,311
Amounts owed to group undertakings	18,890	-
Corporation tax	133,063	170,033
Other taxation and social security	30,975	-
Obligations under finance lease and hire purchase contracts	13,427	12,227
Other creditors	7,766	4,802
Accruals and deferred income	27,981	79,081
	<u>536,607</u>	<u>551,454</u>

10. Creditors: Amounts falling due after more than one year

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	55,936	70,553
	<u>55,936</u>	<u>70,553</u>

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

11. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021 £	2020 £
Within one year	13,427	12,227
Between 1-5 years	55,936	70,553
	<u>69,363</u>	<u>82,780</u>

The finance lease of £69,363 (2020: £82,780) in relation to the purchase of motor vehicles during the year and is secured over the asset.

12. Deferred taxation

	2021 £	2020 £
At beginning of year	(27,451)	(27,451)
Charged to profit or loss	(59,693)	-
At end of year	<u>(87,144)</u>	<u>(27,451)</u>

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(87,144)	(27,451)
	<u>(87,144)</u>	<u>(27,451)</u>

13. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
1 (2020 -1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

Northern Drives & Controls Limited

Notes to the Financial Statements For the Year Ended 31 December 2021

14. Pension commitments

The company operates defined contributions pension schemes. The assets of the scheme are held separately from those of the company in independently administered funds. The pension cost charge represents contributions payable by the company to the fund and amounted to £67,611 (2020 - £109,599).

15. Ultimate parent undertaking and controlling party

The company is controlled by Complete Plant Maintenance Engineering Limited. In the opinion of the directors this is the company's ultimate parent company. Complete Plant Maintenance Engineering Limited is ultimately controlled by D G Griffin. Its registered office address is Clarke Industrial Estate, Saint Mowden Road, Stretford, Manchester, M32 0ZF.