

Company Registration No. SC192668 (Scotland)

**IRVINE SPRING COMPANY LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**



# IRVINE SPRING COMPANY LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	Mr K G Gardner Mr N Matthews Mr P Rowlands Mrs A Calleia-Cutts
<b>Company number</b>	SC192668
<b>Registered office</b>	6 Kyle Road Irvine Industrial Estate Irvine Ayrshire KA12 8JS
<b>Auditor</b>	Wylie & Bisset (Audit) Limited Chartered Accountants 168 Bath Street Glasgow G2 4TP
<b>Business address</b>	6 Kyle Road Irvine Industrial Estate Irvine Ayrshire KA12 8JS
<b>Bankers</b>	Handelsbanken Topaz Business Park, Topaz Way Birmingham Road Birmingham B61 0GD

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# **IRVINE SPRING COMPANY LIMITED**

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# IRVINE SPRING COMPANY LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2020

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

#### Principal activities

The principal activity of the company was the manufacture of round wire precision springs and shapes.

#### Directors

The directors who held office during the period and up to the date of signature of the financial statements (unless otherwise stated) were as follows:

Mr K G Gardner

Mr N Matthews

Mr P Rowlands

Mrs A Calleia-Cutts

Mr K J Stonehill

(Resigned 30 June 2020)

#### Statement of directors' responsibilities

The directors are responsible for preparing the annual 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.

#### 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, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

On behalf of the board

DocuSigned by:

Anne Calleia-Cutts

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Mrs A Calleia-Cutts

Director

7 April 2021

# IRVINE SPRING COMPANY LIMITED

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF IRVINE SPRING COMPANY LIMITED

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#### Opinion

We have audited the financial statements of Irvine Spring Company Limited (the 'company') for the year ended 31 December 2020 which comprise the profit and loss account, the statement of comprehensive income, the balance sheet, 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; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *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 contained within the annual report. 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 our audit:

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

# **IRVINE SPRING COMPANY LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF IRVINE SPRING COMPANY LIMITED**

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#### **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 directors' report.

We have nothing to report in respect of the following matters where 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the directors' report and take advantage of the small companies exemption from the requirement to prepare a strategic report.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

## IRVINE SPRING COMPANY LIMITED

### INDEPENDENT AUDITOR'S REPORT (CONTINUED)

#### TO THE MEMBERS OF IRVINE SPRING COMPANY LIMITED

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

We identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and then design and perform audit procedures response to those risks, including obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion.

In identifying and assessing the risks of material misstatements in respect of irregularities, including fraud and non-compliance with laws and regulations we considered the following;

- *The nature of the company and the industry, control environment and business performance including the design of stock valuation and provision policies, and group performance targets; and*
- *Our enquiries of management about their identification and assessment of the risks of irregularities.*

Based on our understanding of the company and the industry we identified that the principal risks of non-compliance with laws and regulations related to, but were not limited to;

- *Regulations and legislation pertinent to the company's industry operations; and*
- *UK tax and Employment legislation.*

We considered the extent to which non-compliance might have a material impact on the financial statements. We also considered those laws and regulations which have a direct impact on the preparation of the financial statements, such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of management override of controls), and determined that the principal risks were related to;

- *Posting inappropriate journal entries to increase revenue; and*
- *Management bias in accounting estimates.*

**Audit response to the risks identified;**

Our procedures to respond to the risks identified included the following;

- *Gaining an understanding of the legal and regulatory framework applicable to the company and the industry in which it operates;*
- *Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;*
- *Enquiring of management and legal advisors concerning actual and potential litigation and claims;*
- *Reading minutes of meetings of those charged with governance and reviewing correspondence with HMRC;*
- *In addressing the risk of fraud as a result of management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and, evaluating business rationale of any significant transactions that are unusual or outside the normal course of business.*

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members, and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would be to become aware of it. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

# **IRVINE SPRING COMPANY LIMITED**

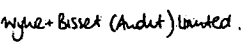
## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF IRVINE SPRING COMPANY LIMITED**

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#### **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.

DocuSigned by:  
  
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**Jenny Simpson (Senior Statutory Auditor)**  
**for and on behalf of Wylie & Bisset (Audit) Limited**

7 April 2021

**Statutory Auditor**

Chartered Accountants  
168 Bath Street  
Glasgow  
G2 4TP



**IRVINE SPRING COMPANY LIMITED****PROFIT AND LOSS ACCOUNT****FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	2020 £	2019 £
Turnover	3	680,274	1,208,227
Cost of sales		(347,925)	(448,537)
<b>Gross profit</b>		<b>332,349</b>	<b>759,690</b>
Administrative expenses		(299,645)	(357,001)
Other operating income		68,820	-
<b>Operating profit</b>	4	<b>101,524</b>	<b>402,689</b>
Interest receivable and similar income	6	345	-
Interest payable and similar expenses	7	(13,768)	(9,200)
<b>Profit before taxation</b>		<b>88,101</b>	<b>393,489</b>
Tax on profit	8	(18,744)	(73,804)
<b>Profit for the financial year</b>		<b>69,357</b>	<b>319,685</b>

The profit and loss account has been prepared on the basis that all operations are continuing operations.

# **IRVINE SPRING COMPANY LIMITED**

## **STATEMENT OF COMPREHENSIVE INCOME**

***FOR THE YEAR ENDED 31 DECEMBER 2020***

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	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Profit for the year</b>	69,357	319,685
<b>Other comprehensive income</b>	-	-
<b>Total comprehensive income for the year</b>	<u>69,357</u>	<u>319,685</u>

**IRVINE SPRING COMPANY LIMITED****BALANCE SHEET****AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
<b>Fixed assets</b>					
Tangible assets	10		424,496		447,193
<b>Current assets</b>					
Stocks	11	113,215		178,258	
Debtors	12	176,961		226,874	
Cash at bank and in hand		514,469		487,881	
		804,645		893,013	
<b>Creditors: amounts falling due within one year</b>	13	(74,056)		(189,355)	
<b>Net current assets</b>			730,589		703,658
<b>Total assets less current liabilities</b>			1,155,085		1,150,851
<b>Creditors: amounts falling due after more than one year</b>	14		(540,844)		(513,183)
<b>Provisions for liabilities</b>					
Deferred tax liability	16	24,254	(24,254)	17,038	(17,038)
<b>Net assets</b>			589,987		620,630
<b>Capital and reserves</b>					
Called up share capital	18		50,000		50,000
Profit and loss reserves			539,987		570,630
<b>Total equity</b>			589,987		620,630

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

The financial statements were approved by the board of directors and authorised for issue on 7 April 2021 and are signed on its behalf by:

DocuSigned by:  
  
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 Mr N Matthews  
 Director

Company Registration No. SC192668

**IRVINE SPRING COMPANY LIMITED****STATEMENT OF CHANGES IN EQUITY****FOR THE YEAR ENDED 31 DECEMBER 2020**

	Notes	Share capital £	Profit and loss reserves £	Total £
<b>Balance at 1 January 2019</b>		50,000	450,945	500,945
<b>Year ended 31 December 2019:</b>				
Profit and total comprehensive income for the year		-	319,685	319,685
Dividends	9	-	(200,000)	(200,000)
<b>Balance at 31 December 2019</b>		50,000	570,630	620,630
<b>Year ended 31 December 2020:</b>				
Profit and total comprehensive income for the year		-	69,357	69,357
Dividends	9	-	(100,000)	(100,000)
<b>Balance at 31 December 2020</b>		50,000	539,987	589,987

# IRVINE SPRING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

##### Company information

Irvine Spring Company Limited is a private company limited by shares incorporated in Scotland. The registered office is 6 Kyle Road, Irvine Industrial Estate, Irvine, Ayrshire, KA12 8JS.

##### 1.1 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 on the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instrument Issues': Interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral, loan defaults or breaches, details of hedges, hedging fair value changes recognised in profit or loss and in other comprehensive income;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Indutrade AB (publ.). These consolidated financial statements are available from its registered office, Raseborgsgatan 9, 164 74 Kista, Sweden.

##### 1.2 Going concern

The pandemic outbreak of COVID-19 in 2020 has had a significant negative impact on both people and financial markets. Irvine Spring's management team and Board of Directors is carefully monitoring the situation and following the directives issued by government authorities. Owner of Irvine, Indutrade is maintaining a very close dialogue with its subsidiaries so that it can implement the necessary measures to support them in the best way possible. The overall impact of COVID-19 is currently very difficult to predict. It is important to point out, however, that the Indutrade Group has a diversified structure with more than 200 companies working in a variety of segments and countries. This offers good risk diversification and the prerequisites for stability. Indutrade's financial position is good. Given the high level of uncertainty however, it is not possible to, at present, estimate the overall potential impact on the Irvine Spring Company.

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.

# IRVINE SPRING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies

(Continued)

##### 1.3 Turnover

Turnover represents amounts receivable for goods and services net of VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

##### 1.4 Tangible fixed assets

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

Depreciation 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:

Plant and machinery	- Straight line over 15 years
Fixtures, fittings & equipment	- Straight line over 4 to 10 years
Motor vehicles	- Straight line over 4 years

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.

##### 1.5 Impairment of fixed assets

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.6 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.

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.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

# IRVINE SPRING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 1 Accounting policies

(Continued)

##### 1.8 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 in the company's balance sheet 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 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 transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

##### **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.

##### **Basic financial liabilities**

Basic financial liabilities, including creditors, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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. Financial liabilities classified as payable within one year are not amortised.

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

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the 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.

##### 1.10 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the profit and loss account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# IRVINE SPRING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

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#### 1 Accounting policies

(Continued)

##### **Deferred tax**

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that the recognition of deferred tax assets is limited to the extent that the company anticipates making sufficient taxable profits in the future to absorb the reversal of the underlying timing differences.

Deferred tax balances are not discounted.

##### **1.11 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.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

##### **1.12 Retirement benefits**

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

##### **1.13 Leases**

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.

##### **1.14 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.

##### **1.15 Foreign exchange**

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.



# IRVINE SPRING COMPANY LIMITED

## 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 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.

The following judgements have had the most significant effect on amounts recognised in the financial statements.

#### 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.

#### Stock Provision

The company makes an estimate in relation to slow moving and obsolete stock. The stock level is compared to the level of sales and the lower of the two figures are used for the valuation. This process has been used consistently for many years.

#### Valuation of in-house produced stock

Finished goods and WIP are discounted each year by the gross margin.

#### 3 Turnover and other revenue

An analysis of the company's turnover is as follows:

	2020 £	2019 £
<b>Turnover analysed by class of business</b>		
Own Production	353,637	396,937
Contracted Out	24,420	76,298
Exports	296,415	729,342
Carriage	5,693	5,442
Miscellaneous Income	109	208
	<u>680,274</u>	<u>1,208,227</u>
	2020 £	2019 £
<b>Other revenue</b>		
Interest income	345	-
Grants received	68,820	-
	<u></u>	<u></u>

# IRVINE SPRING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 3 Turnover and other revenue (Continued)

	2020	2019
	£	£
<b>Turnover analysed by geographical market</b>		
United Kingdom	383,859	478,885
Exports to European Community	830	1,195
Exports excluding European Community	295,585	728,147
	<u>680,274</u>	<u>1,208,227</u>

#### 4 Operating profit

	2020	2019
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	1,094	(19)
Government grants	(68,820)	-
Fees payable to the company's auditor for the audit of the company's financial statements	4,829	6,525
Depreciation of owned tangible fixed assets	37,412	27,773
Operating lease charges	14,000	14,000
	<u>14,000</u>	<u>14,000</u>

Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to £1,094 (2019 - £19).

#### 5 Employees

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

	2020	2019
	Number	Number
Office, management and sales	<u>12</u>	<u>13</u>

	2020	2019
	£	£
Wages and salaries	292,130	320,974
Social security costs	26,731	25,687
Pension costs	9,671	8,047
	<u>328,532</u>	<u>354,708</u>

**IRVINE SPRING COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****6 Interest receivable and similar income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Interest income</b>		
Interest on bank deposits	345	-

**7 Interest payable and similar expenses**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Interest on bank overdrafts and loans	13,768	9,200

**8 Taxation**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Current tax</b>		
UK corporation tax on profits for the current period	11,528	65,647
<b>Deferred tax</b>		
Origination and reversal of timing differences	7,216	8,157
<b>Total tax charge</b>	<b>18,744</b>	<b>73,804</b>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Profit before taxation	88,101	393,489
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	16,739	74,763
Tax effect of expenses that are not deductible in determining taxable profit	(7)	7
Permanent capital allowances in excess of depreciation	(5,204)	(9,123)
Other tax adjustments	7,216	8,157
<b>Taxation charge for the year</b>	<b>18,744</b>	<b>73,804</b>

**9 Dividends**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Final paid	100,000	200,000

# IRVINE SPRING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 10 Tangible fixed assets

	Plant and machinery	Fixtures, fittings & equipment	Motor vehicles	Total
	£	£	£	£
<b>Cost</b>				
At 1 January 2020	589,770	15,405	9,295	614,470
Additions	6,688	8,027	-	14,715
	<u>596,458</u>	<u>23,432</u>	<u>9,295</u>	<u>629,185</u>
At 31 December 2020	596,458	23,432	9,295	629,185
<b>Depreciation and impairment</b>				
At 1 January 2020	151,714	8,127	7,436	167,277
Depreciation charged in the year	32,363	3,190	1,859	37,412
	<u>184,077</u>	<u>11,317</u>	<u>9,295</u>	<u>204,689</u>
At 31 December 2020	184,077	11,317	9,295	204,689
<b>Carrying amount</b>				
At 31 December 2020	<u>412,381</u>	<u>12,115</u>	<u>-</u>	<u>424,496</u>
At 31 December 2019	<u>438,056</u>	<u>7,278</u>	<u>1,859</u>	<u>447,193</u>

#### 11 Stocks

	2020 £	2019 £
Raw materials and consumables	18,457	21,278
Finished goods and goods for resale	94,758	156,980
	<u>113,215</u>	<u>178,258</u>

#### 12 Debtors

	2020 £	2019 £
<b>Amounts falling due within one year:</b>		
Trade debtors	159,545	199,817
Corporation tax recoverable	2,960	-
Other debtors	-	10,857
Prepayments and accrued income	14,456	16,200
	<u>176,961</u>	<u>226,874</u>

**IRVINE SPRING COMPANY LIMITED****NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)****FOR THE YEAR ENDED 31 DECEMBER 2020****13 Creditors: amounts falling due within one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade creditors	26,134	42,013
Amounts owed to group undertakings	-	7,878
Corporation tax	-	23,647
Other taxation and social security	10,084	3,676
Other creditors	-	194
Accruals and deferred income	37,838	111,947
	<u>74,056</u>	<u>189,355</u>

**14 Creditors: amounts falling due after more than one year**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Other borrowings	540,844	513,183
	<u>540,844</u>	<u>513,183</u>

**15 Loans and overdrafts**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loans from group undertakings	540,844	513,183
	<u>540,844</u>	<u>513,183</u>
Payable after one year	540,844	513,183
	<u>540,844</u>	<u>513,183</u>

**16 Deferred taxation**

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so. The following is the analysis of the deferred tax balances (after offset) for financial reporting purposes:

	<b>Liabilities</b>	<b>Liabilities</b>
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Balances:</b>		
Accelerated Capital Allowances	24,254	17,038
	<u>24,254</u>	<u>17,038</u>
<b>Movements in the year:</b>		<b>2020</b>
		<b>£</b>
Liability at 1 January 2020		17,038
Charge to profit or loss		7,216
		<u>24,254</u>
Liability at 31 December 2020		<u>24,254</u>

# IRVINE SPRING COMPANY LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2020

#### 17 Retirement benefit schemes

	2020 £	2019 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	9,671	8,047

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.

#### 18 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	50,000	50,000	50,000	50,000

#### 19 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	5,204	5,678
Between two and five years	-	5,204
	5,204	10,882

## **IRVINE SPRING COMPANY LIMITED**

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

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#### **20 Related party transactions**

The company has taken advantage of FRS 102 "related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

#### **21 Control**

The immediate parent company is Indutrade UK Limited. The ultimate controlling party is Indutrade AB, a company listed on the Stockholm Stock Exchange.