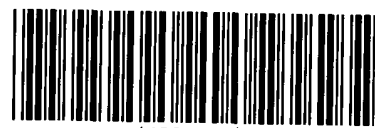


REGISTERED NUMBER: 01349036 (England and Wales)

**Strategic Report, Directors' Report and
Financial Statements for the Year Ended 31 December 2021
for
Comtec Cable Accessories Limited**

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Comtec Cable Accessories Limited (Registered number: 01349036)

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for the Year Ended 31 December 2021**

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Comtec Cable Accessories Limited

**Company Information
for the Year Ended 31 December 2021**

DIRECTORS: R Tamburrini
J T Archer
J S Buck
D Conway
S P Doddington
E Eiloart
P Hancox

SECRETARY: R Tamburrini

REGISTERED OFFICE: 2 Cardinal Distribution Park
Godmanchester
Huntingdon
Cambridgeshire
PE29 2XJ

REGISTERED NUMBER: 01349036 (England and Wales)

AUDITORS: *Constantin*
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Comtec Cable Accessories Limited (Registered number: 01349036)

**Strategic Report
for the Year Ended 31 December 2021**

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

PRINCIPAL ACTIVITY

The Company's principal activity is the supply of IP infrastructure material and equipment to the Data and Telecoms markets via its branches in Huntingdon and Glasgow.

BUSINESS REVIEW

INTRODUCTION

We are focused on two key channels, firstly a standard Distribution Model meeting the day to day needs of installers and secondly, a Managed Services proposition where we handle a customer's complete supply chain requirements, including specifying, sourcing, and provisioning.

This approach to our operations has continued in this way, whilst also working toward aligning ourselves with the larger group of which Comtec became part, following ETC Group's acquisition of Comtec in July 2020. We operate predominantly in the UK.

We have invested in additional expertise in the FTTX market where the combined resources of ETC and Comtec look to achieve significant growth. The FTTX focus aside, the directors are not aware, at the date of the report, of any likely changes in the Group's general activities in the forthcoming year.

RESULT AND PERFORMANCE

As shown in the statement of comprehensive income on page 12, the turnover for the year ended 31 December 2021 is £73.9 million compared to £51.8 million in the prior year. The Group saw sales increase by 42.5% overall, most of the growth coming from the Telecom sector. To a lesser extent, Enterprise sales also grew in 2021 and we expect significant growth to continue in both sectors.

Our Managed Service business, an area of focus, is well placed to meet the growing demands of building fibre rich nationwide networks with Altnets (Alternative Network Carriers). We continually review our resources to ensure we are structured in the best way to capitalise on the opportunities and significant investment in the FTTX market.

While our Distribution business continues to face aggressive positioning, we continue to invest in the space to ensure we are positioned at the top end of the market. We also continue to look at adding other major brands to establish us as the 'go-to' option for customers.

Operating Profit of £4.7 million for the year ended 31 December 2021 compares with £2.0 million in the prior year. At 6.4% this is above our target of 5% and a result of the great efforts made in achieving a firm foothold in the developing markets. Administrative expenses are higher at £7.7 million for the year ended 31 December 2021, but lower as a percentage of sales in the year.

On average our business has seen year on year growth in sales of c.18% in past years, but this year has seen an increase of 42.6%. We attribute this to our focus on creating an organisation whose proposition reflects the needs of our customers, and our dynamic approach in optimizing resource where we see new opportunity or changes in the market.

BUSINESS ENVIRONMENT

While UK markets continue to be mildly apprehensive due to Covid-19 and post Brexit, we are fortunate to be able to take advantage of new opportunities and achieve a strong long-term funnel of business.

Comtec Cable Accessories Limited (Registered number: 01349036)

**Strategic Report
for the Year Ended 31 December 2021**

BUSINESS MODEL

OPERATIONAL

Our strategy is to build on existing work streams and largely focus on improving efficiencies and motivation of the Comtec team. We are conscious of ensuring we not only maintain adequate resources for today's business but plan for the business growth we anticipate in the coming year and beyond.

Whilst we have ambitious plans to grow the business significantly over the next three years, we are focused on maintaining delivery of an exceptional service to our customers in all sectors of the market.

The operations teams are grouped into core functions including Customer Services, Materials Planning, Procurement, Logistics and Technical Services, each headed by a manager whose role is to ensure the efficient and effective delivery of their service.

COMMERCIAL

As mentioned in the opening comments, we are focused into commercial units by both market sector and service proposition. The market sectors being Enterprise and Telecom and service proposition being Distribution and Managed Services. The former largely services the Enterprise Network and the latter Telecom. We continue to see growth in the Data Centre market with increasing demand for full supply chain management of these mission critical projects.

The distribution model is focused on the day-to-day provision of a range of key brands to Voice and Data Installers while the Managed Services model provides larger clients with a full outsourcing service, allowing us to run the provisioning and forecast planning of some or all of their supply requirements.

The Company has maintained its position in the upper tier of the market in the UK and has seen considerable success in taking this proposition to other geographical markets.

KEY PERFORMANCE INDICATORS

Financial KPIs are reported to the management team monthly together with analysis of variances to budget. Other KPIs, such as customer service levels are also monitored and reported to the management team regularly through the year.

Financial KPI's for the company are turnover £73.8 million this year vs £51.8 million in the prior year and gross profit margin of 16.8% this year compared to 17.1% in the prior year.

Strategic Report
for the Year Ended 31 December 2021

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

INTRODUCTION

The process of risk acceptance and risk management is addressed through a framework of policies, procedures and internal controls.

The Company's activities expose it to a number of financial risks. These individual risks are assessed in relation to their impact as a whole on the operation. These are as follows:

CASH FLOW (LIQUIDITY RISK)

The working capital ratio is reviewed monthly together with cash flow and cash generation in order that the cash requirements (existing and future) of the business can be fully met from existing financial facilities.

The business provides detailed monthly management accounts to parties with a vested interest in the business including Lloyds Bank PLC. We also operate a central treasury function to control funds across the Group.

CREDIT RISK

The Company's principal financial assets are bank balances and trade debtors.

The Company's credit risk is primarily attributable to its trade debtors. The amounts presented in the balance sheet are net of provision for doubtful debts. A provision is made where there is evidence of the possibility of not being able to recover the debt.

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

The Company is aware of all significant concentrations of credit risk and manages counterparties and customers accordingly.

LIQUIDITY RISK

To maintain liquidity and to ensure that sufficient funds are available for ongoing operations and future developments, the group operates a centralised treasury function and confidential invoice discounting (CID) facility that allows the Company to receive advances of funds against outstanding sales invoices.

PRICE RISK

The Company has some exposure to price risk relating to fixed price contracts with major clients. This, however, is largely mitigated by a mixture of back-to-back arrangements with suppliers or medium-term reviews with clients.

CURRENCY AND COMMODITY RISK

The Company's exposure to currency and commodity risk includes the revaluation of overseas operations at the relevant exchange rate and changes in trade payables and receivables because of exchange rate movements. Daily exchange rate movements are monitored, and any losses or gains are reported in the company's internal management information. Consideration is given to utilizing financial instruments such as hedging and forward purchase contracts. No such instruments are currently in place and none were in place during 2021.

FUTURE PROSPECTS

The Directors believe that the UK communication industry will continue to grow strongly through 2022 due to the continued demand for mobile and broadband services. The Company's export markets will also benefit from further growth as a result of our continued investment in our international presence.

The Directors also continue to review and consider organisational changes to ensure we drive engagement and motivate every member of our team.

We believe the business is well positioned with long term commitments from most of our key partners. However, we remain conscious of the challenges of an evolving marketplace.

**Strategic Report
for the Year Ended 31 December 2021**

DIRECTORS' STATEMENT OF COMPLIANCE WITH DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Comtec's senior management are committed to promoting the success of the company in accordance with section 172 of the 2006 Companies Act. The Board ensures that all decisions are taken for the long term and both collectively and individually aims to always uphold the highest standard of conduct. The Board recognises that the business has the best chance to grow and prosper over the long-term if it understands the needs of its customers, suppliers, employees and other stakeholders.

The Company manages its relationships with its stakeholders through regular communication. The Company's engagement with customers includes close relationships with key account managers, corporate hospitality as well as engagement through social media and the Company's website.

The Company is aware of its environmental responsibilities and specifically, it has worked on removing excess packaging and single use plastics from its operations. In terms of its wider corporate social responsibility (CSR) values, the Company also seeks to support the charity endeavours of its employees and stakeholders. Comtec has sponsored its business partners in supporting local charity events to raise monies and regularly engages with staff in supporting other national charitable fund raising by supporting events at Comtec's offices.

At the heart of the culture of the Company, it is the desirability to maintain a reputation of high standards of business conduct at all times and the need to act fairly toward all its employees.

The Directors fulfil their duties in part through delegation of certain day-to-day decisions to its employees. The Board understands the need for a clear governance structure and systems of control to ensure its values are upheld in dealing with stakeholders.

ENVIRONMENTAL IMPACT

The company is committed to managing its environmental impact and is fully aware that considering the environment in our decision making can have a beneficial impact on the company's performance.

We continue to reduce our carbon footprint with well-established initiatives around waste management, specifically the removal of plastics and secondary and tertiary packaging. Throughout the company's business premises we are focused on recycling of paper, cardboard, aluminium cans and plastics. With energy efficiency in mind, we also have lighting controls installed in the common areas of the premises to reduce the amount of energy used.

More recently, we have updated the company policy on vehicle selection for its small fleet of leased vehicles, setting a cap on permissible Co2 emissions, thereby reducing our use of fossil fuel vehicles. As current vehicle leases expire, they will be replaced with cleaner alternatives. Currently, 87% of our leased vehicles are either fully electric or hybrid.

IMPACT OF BREXIT

Senior management continue to monitor the impact of Brexit. Having prepared ourselves prior to the exit date by engaging with our business partners including customers, freight forwarders and others part of the supply chain, we have avoided any significant disruption to our operations. Through the efforts of our operations teams, we have been able to counter any issues presented and continue to be confident in addressing further challenges relating to Brexit.

IMPACT OF COVID-19

The Company ensured that measures were put in place at the start of the coronavirus pandemic and these were maintained through 2021 and into the early part of 2022. In line with the UK Government's changes in guidance relating to Covid-19, we have adapted our measures accordingly. We continue to deliver our customers' needs, support our employees and keep health and safety at the forefront of our plans.

With potential for a continued changing landscape whether in relation to Covid-19 or other factors which may affect operations, we continue to monitor changes in rules or guidelines and adapt our business practices accordingly. We are mindful of the potential difficulties placed on our staff from time to time and recognise it is their dedication and continued efforts which put the Company on a strong and well positioned footing to take advantage of new opportunities and continue to deliver long-term sustainable growth.

Comtec Cable Accessories Limited (Registered number: 01349036)

**Strategic Report
for the Year Ended 31 December 2021**

POST BALANCE SHEET EVENT

There were no post balance sheet events that occurred until the date of issuance of the financial statements that would require adjustment to or disclosure in the financial statements as of the year ended 31 December 2021.

ON BEHALF OF THE BOARD:



.....
R Tamburrini - Director

Date: 4th August 2022

Comtec Cable Accessories Limited (Registered number: 01349036)

**Directors' Report
for the Year Ended 31 December 2021**

The directors present their report with the financial statements of the company for the year ended 31 December 2021.

The Company has chosen to include the disclosure of likely future developments of the Company's business in the Strategic Report. The information about engagement with employees, suppliers, customers, and others has been included in the Strategic Report, which is also incorporated into this report by cross reference.

REVIEW OF BUSINESS

The profit for the year, after taxation, amounted to £3.7m (2020 - £1.6m)

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021.

A dividend of £300k was paid during the year 2020.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2021 to the date of this report.

R Tamburrini
J T Archer
J S Buck
D Conway
S P Doddington
E Eiloart
P Hancox

GOING CONCERN

The Company's business activities and future developments are included within the Business review on page 2. Included within the Strategic Report on pages 2 to 5 are a description of the Company's financial position and its approach to price, credit, liquidity and currency risk.

Confidential Discounting Facility:

The Company is funded on a day to day basis through a confidential discounting facility which has no fixed renewal date but is subject to termination with six months' notice by either party. The current economic conditions create uncertainty over the level of sales and the cost of certain products due to the fluctuations in the exchange rate between sterling, US dollar and the Euro. As mentioned in the Strategic Report management monitor these fluctuations.

Dilapidations:

Dilapidations provision is built up over the term of the original lease period. With regard to the Company's main premises located in Huntingdon, dilapidation obligations are fully provided and for the Company's Glasgow premises 28% is provided for as at 31 December 2021.

Covid had limited impact on the Company's operations in 2021. Costs continue to be carefully monitored and where potential for savings is identified, these are quickly implemented.

There is always an uncertainty when preparing business forecasts, and the directors recognise that the COVID-19 pandemic potentially increases the level of uncertainty when preparing cashflow and trading forecasts. However, given the current trading results of the business, the success of the business in adapting its operations to align itself with current government guidelines, the directors do not believe that uncertainty to be material or cast significant doubt over the Company's ability to continue to trade or meet its liabilities as they fall due. Accordingly, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

FUTURE DEVELOPMENTS

The directors do not foresee any significant developments in the business over the coming year.

DIRECTORS INDEMNITIES

No qualifying third-party indemnity provisions for the benefit of the directors were made during the year.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

**Directors' Report
for the Year Ended 31 December 2021**

STATEMENT OF DIRECTORS' RESPONSIBILITIES - continued

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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, including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'). 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

GREENHOUSE GAS EMISSIONS, ENERGY CONSUMPTION AND ENERGY EFFICIENCY ACTION

A subsidiary company is exempt if it is included within the group report of a parent Company for a financial year that ends at the same time as, or before the end of, the subsidiary's financial year and the parent Company gives disclosures that comply with the regulations. Comtec Group (International) Limited report on carbon emissions in its publicly available consolidated financial statements, which include Comtec cable accessories Limited and its operations. Refer to note 29 for further details.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

AUDITORS

The auditors, Constantin, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



.....
R Tamburrini - Director

Date:

4th August 2022

**Independent Auditors' Report to the Members of
Comtec Cable Accessories Limited**

Opinion

In our opinion the financial statements of Comtec Cable Accessories Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as of 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income
- the statement of financial position
- the statement of change in equity; and
- the related notes 1 to 29

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 Financial Reporting Council's (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.

Independent Auditors' Report to the Members of Comtec Cable Accessories Limited

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.

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

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

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

We considered the nature of the company's industry and its control environment and reviewed the company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and external legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

**Independent Auditors' Report to the Members of
Comtec Cable Accessories Limited**

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters 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.

We have nothing to report in respect of these matters.

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.



Mark Bathgate (Senior Statutory Auditor)
for and on behalf of Constantin
Chartered Accountants and Statutory Auditor
25 Hosier Lane
London
EC1A 9LQ

Date: 04/08/2022

Comtec Cable Accessories Limited (Registered number: 01349036)

Statement of Comprehensive
Income
for the Year Ended 31 December 2021

	Notes	2021 £	2020 £
TURNOVER	3	73,885,229	51,821,528
Cost of sales		<u>(61,476,580)</u>	<u>(42,971,298)</u>
GROSS PROFIT		12,408,649	8,850,230
Administrative expenses		<u>(7,677,321)</u>	<u>(7,291,645)</u>
		4,731,328	1,558,585
Other operating income	4	<u>585</u>	<u>488,000</u>
OPERATING PROFIT	7	4,731,913	2,046,585
Interest receivable and similar income	9	<u>870</u>	<u>9,750</u>
		4,732,783	2,056,335
Interest payable and similar expenses	10	<u>(142,444)</u>	<u>(140,169)</u>
PROFIT BEFORE TAXATION		4,590,339	1,916,166
Tax on profit	11	<u>(913,000)</u>	<u>(345,451)</u>
PROFIT FOR THE FINANCIAL YEAR		3,677,339	1,570,715
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u><u>3,677,339</u></u>	<u><u>1,570,715</u></u>

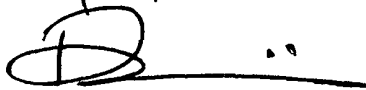
The notes on pages 15 to 31 form part of these financial statements

Comtec Cable Accessories Limited (Registered number: 01349036)

Statement of Financial Position
31 December 2021

	Notes	2021 £	2020 £
FIXED ASSETS			
Intangible assets	13	324,072	93,690
Tangible assets	14	636,161	596,427
Investments	15	<u>20,148</u>	<u>20,148</u>
		<u>980,381</u>	<u>710,265</u>
CURRENT ASSETS			
Stocks	16	18,870,698	12,134,717
Debtors: amounts falling due within one year	17	12,861,273	11,679,140
Cash in hand	18	<u>370,254</u>	<u>205,484</u>
		32,102,225	24,019,341
CREDITORS			
Amounts falling due within one year	19	<u>(21,736,916)</u>	<u>(17,197,581)</u>
NET CURRENT ASSETS			
		<u>10,365,309</u>	<u>6,821,760</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			
		11,345,690	7,532,025
CREDITORS			
Amounts falling due after more than one year	20	(31,471)	(46,964)
DEBTORS			
Amounts falling due after more than one year	17	12,300	22,000
PROVISIONS FOR LIABILITIES			
	24	<u>(664,084)</u>	<u>(521,654)</u>
NET ASSETS			
		<u>10,662,435</u>	<u>6,985,407</u>
CAPITAL AND RESERVES			
Called up share capital	25	2,000,000	2,000,000
Share premium		10,000	10,000
Retained earnings		<u>8,652,435</u>	<u>4,975,407</u>
SHAREHOLDERS' FUNDS			
		<u>10,662,435</u>	<u>6,985,407</u>

The financial statements were approved by the Board of Directors and authorised for issue on 4th August 2022 and were signed on its behalf by:



.....
R Tamburrini - Director

The notes on pages 15 to 31 form part of these financial statements

Comtec Cable Accessories Limited (Registered number: 01349036)

Statement of Changes in Equity
for the Year Ended 31 December 2021

	Called up share capital £	Retained earnings £	Share premium £	Total equity £
Balance at 1 January 2020	2,000,000	3,704,692	10,000	5,714,692
Changes in equity				
Dividends	-	(300,000)	-	(300,000)
Total comprehensive income	-	<u>1,570,715</u>	-	<u>1,570,715</u>
Balance at 31 December 2020	<u>2,000,000</u>	<u>4,975,407</u>	<u>10,000</u>	<u>6,985,407</u>
Changes in equity				
Total comprehensive income	-	<u>3,677,339</u>	-	<u>3,677,339</u>
Balance at 31 December 2021	<u>2,000,000</u>	<u>8,652,746</u>	<u>10,000</u>	<u>10,662,746</u>

The notes on pages 15 to 31 form part of these financial statements

Comtec Cable Accessories Limited (Registered number: 01349036)

**Notes to the Financial Statements
for the Year Ended 31 December 2021**

1. STATUTORY INFORMATION

Comtec Cable Accessories Limited is a private company limited by shares & incorporated in England and Wales. Its registered head office is located at 2 Cardinal Distribution Park, Godmanchester, Huntingdon, Cambridgeshire, PE29 2XJ.

The company's principal activity continued to be the supply of Data and Telecoms installation equipment and materials via its branches in Huntingdon, Sunbury and Glasgow.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with 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 judgment in applying the company's accounting policies.

The following principal accounting policies have been applied:

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41 (b), 11.41 (c), 11.41 (e), 11.41 (f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26, 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Comtec Group (International) Limited as at 31 December 2021 and these financial statements may be obtained from Companies House.

Notes to the Financial Statements.- continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Going concern

The Company's business activities and future developments are included within the Business review on page 2. Included within the Strategic Report on pages 2 to 5 are a description of the Company's financial position and its approach to price, credit, liquidity and currency risk.

Confidential Discounting Facility:

The Company is funded on a day to day basis through a confidential discounting facility which has no fixed renewal date but is subject to termination with six months' notice by either party. The current economic conditions create uncertainty over the level of sales and the cost of certain products due to the fluctuations in the exchange rate between sterling, US dollar and the Euro. As mentioned in the Strategic Report management monitor these fluctuations.

Dilapidations:

Dilapidations provision is built up over the term of the original lease period. With regard to the Company's main premises located in Huntingdon, dilapidation obligations are fully provided and for the Company's Glasgow premises 28% is provided for as at 31 December 2021.

Covid had limited impact on the Company's operations in 2021. Costs continue to be carefully monitored and where potential for savings is identified, these are quickly implemented.

There is always an uncertainty when preparing business forecasts, and the directors recognise that the COVID-19 pandemic potentially increases the level of uncertainty when preparing cashflow and trading forecasts. However, given the current trading results of the business, the success of the business in adapting its operations to align itself with current government guidelines, the directors do not believe that uncertainty to be material or cast significant doubt over the Company's ability to continue to trade or meet its liabilities as they fall due. Accordingly, the directors have continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Significant judgements and estimates

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made and are based on historical experience and other factors that are considered to be applicable. Due to the inherent subjectivity involved in making such judgements, the actual results and outcomes may differ.

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, if the revision effects on that period, or in the period of the revision and future periods if the revision affects both current and future period.

The items in the financial statements where these judgements and estimates have been made include:

-Stock provision

Management performed a detailed review of the stock listing on a line by line basis and included a stock provision totaling £507,000 as at 31 December 2021 (£463,000 as at 31 December 2020) for slow moving and obsolete stock based on their knowledge of the stock lines.

-Aged debts

Management have included an aged debt provision within the financial statements as at 31 December 2021 after reviewing each trade debtor outstanding at the year end and identifying those where known issues exist. The provision totaled £204,000 as at 31 December 2021 (£186,000 as at 31 December 2020).

Critical judgements in applying the company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

2. ACCOUNTING POLICIES - continued

Revenue recognition

In making the revenue recognition judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 section 13 Revenue and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

Impairment of intangible assets

Intangible assets are revalued on a periodic basis and tested annually for indicators of impairment. Judgements are required to make an assessment as to whether there is an indication of impairment. The impairment tests include examination of capital expenditure incurred in the financial year to ascertain whether it has resulted in an increase in value or an impairment of an asset. If the actual results differ from the assumptions, the value of intangible assets will be over or understated. This would be adjusted when the assets were next revalued.

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

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.

Providing for doubtful debts

The financial Statements contains estimated figures that are based on assumptions made by the Company about the future or that are otherwise uncertain. These include useful lives, valuations and bad debt provisions. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty actual results could be different from the assumptions and estimates.

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. It is stated at the fair value of the consideration receivable, net of value added tax and discounts.

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, usually on shipment of the goods.

Revenue from a contract to provide managed services is recognised at a point in time, when the services are provided to the customer.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Intangible assets

Goodwill

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis over its useful economic life and is recognised in the Statement of Comprehensive Income.

Other intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

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.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Software - 3 to 5 years

Goodwill - 10 years

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.

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:

Leasehold improvements - 10%

Plant, machinery and hire - 10% to 20%
equipment

Motor vehicles - 33.3%

Office equipment, fixtures and - 20% to 33.3%
fittings

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Stocks

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

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 weighted average basis.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price. The impairment loss is recognised immediately in the Statement of Comprehensive Income.

Debtors

Short term debtors are measured at transaction price, less any impairment.

Cash and cash equivalents

Cash is represented by cash on 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.

Financial instruments

The company only enters into basic financial instruments transactions that results in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the reporting date.

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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.

Government grants

Grants are accounted for under the accruals model as permitted by FRS 102.

Due to the covid-19 pandemic, the business utilised the furlough scheme in 2020 whereby the Government contributed towards the wage costs of the business. The amounts received are reported as other operating income in the financial statements. The income is reported in the period that the relief relates to.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. **ACCOUNTING POLICIES - continued**

Foreign currency translation

The company's functional and presentational currency is GBP Sterling (£)

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. Nonmonetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'.

Finance costs

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

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.

Operating leases

Rentals paid under operating leases are charged to the Statement of Comprehensive Income 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.

Finance leases

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Statement of Financial Position date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement.

Comtec Cable Accessories Limited (Registered number: 01349036)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

2. ACCOUNTING POLICIES - continued

Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

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.

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.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Sale of goods	73,688,229	51,761,528
Service fee	197,000	60,000
	<u>73,885,229</u>	<u>51,821,528</u>

Comtec Cable Accessories Limited (Registered number: 01349036)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

3. **TURNOVER - continued**

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	73,132,229	51,121,528
Middle East	320,000	299,000
Far East	50,000	51,000
Rest of the world	<u>383,000</u>	<u>350,000</u>
	<u><u>73,885,229</u></u>	<u><u>51,821,528</u></u>

4. **OTHER OPERATING INCOME**

	2021	2020
	£	£
Other income	585	-
Grant income	<u>-</u>	<u>488,000</u>
	<u><u>585</u></u>	<u><u>488,000</u></u>

5. **EMPLOYEES AND DIRECTORS**

	31.12.21	31.12.20
	£'000	£'000
Wages and salaries	4,243	3,899
Social security costs	479	388
Pension costs	83	93
Redundancy costs	<u>-</u>	<u>258</u>
	<u><u>4,805</u></u>	<u><u>4,638</u></u>

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

	31.12.21	31.12.20
	No.	No.
Management	6	6
Sales	24	37
Warehouse and shipping	57	35
Administration	<u>30</u>	<u>49</u>
	<u><u>117</u></u>	<u><u>127</u></u>

Comtec Cable Accessories Limited (Registered number: 01349036)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

6. DIRECTORS' EMOLUMENTS

	31.12.21 £'000	31.12.20 £'000
Directors' emoluments	817	399
Company contributions to defined contribution pension schemes	<u>14</u>	<u>12</u>
	<u>831</u>	<u>411</u>

During the year, retirement benefits were accruing to 5 directors (2020 - 5) in respect of defined contribution pension schemes and no director (2020: no director) in respect of end of service gratuity.

The highest paid director received remuneration of £215k (2020 - £147k).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to 6k (2020 - £2k).

7. OPERATING PROFIT

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

	31.12.21 £'000	31.12.20 £'000
Depreciation of owned tangible fixed assets	200	536
Depreciation on finance leased assets	33	34
Amortisation of intangible assets, including goodwill	64	89
Exchange differences	75	(185)
Profit on disposal of fixed assets	-	3
Operating lease rentals	-	-
Land and buildings	406	406
Other	<u>152</u>	<u>158</u>

8. AUDITORS' REMUNERATION

	31.12.21 £'000	31.12.20 £'000
Fees payable to the company's auditor and its associates for the audit of the company's annual financial statements	<u>104</u>	<u>75</u>
	<u>104</u>	<u>75</u>

The company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent company.

9. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021 £	2020 £
Bank overdraft and loans	<u>870</u>	<u>9,750</u>

Comtec Cable Accessories Limited (Registered number: 01349036)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

10. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
On bank overdraft and loan	126,892	125,427
Unwind of discount on provision	12,099	12,723
Other interest payable	<u>3,453</u>	<u>2,019</u>
	<u>142,444</u>	<u>140,169</u>

11. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	843,000	345,451
Deferred tax	<u>70,000</u>	<u>-</u>
Tax on profit	<u>913,000</u>	<u>345,451</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is higher than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	<u>4,590,339</u>	<u>1,916,166</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	872,164	364,072
Effects of:		
Expenses not deductible for tax purposes	9,000	10,000
Adjustments to tax charge in respect of previous periods	(37,000)	(203,786)
Adjustment to deferred tax in respect of prior periods	45,000	89,905
Fixed asset ineligible depreciation/amortisation	15,000	85,260
Remeasurement of deferred tax for changes in tax rates rounding	8,836	-
	<u>913,000</u>	<u>345,451</u>
Total tax charge	<u>913,000</u>	<u>345,451</u>

Comtec Cable Accessories Limited (Registered number: 01349036)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

11. TAXATION - continued

	31.12.21 £'000	31.12.20 £'000
Deferred tax		
Fixed asset timing differences	91	61
Short term timing differences	<u>(56)</u>	<u>(96)</u>
Total deferred tax liability/(asset)	<u>35</u>	<u>(35)</u>
Deferred tax liability/(asset) at 01.01.2021	<u>(35)</u>	
Deferred tax liability/(asset) at 31.12.21	<u>70</u>	

Factors That May Affect Future Tax Charges

Finance Act 2020, which was substantively enacted on 11 March 2020, maintained the corporation tax rate at 19% until 31 March 2023.

Finance Act 2021, which was substantively enacted on 24 May 2021, has enacted an increase in the UK corporation tax main rate to 25% from 1 April 2023.

As this rate change had been substantively enacted before the balance sheet date, the closing deferred tax assets and liabilities have been calculated at 25%, on the basis that this is the rate at which those assets and liabilities are expected to unwind.

12. DIVIDENDS

	2021 £	2020 £
Ordinary shares shares of 0.10 each		
Final	<u>-</u>	<u>300,000</u>

Comtec Cable Accessories Limited (Registered number: 01349036)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

13. INTANGIBLE FIXED ASSETS

	Goodwill £'000	Software £'000	Totals £'000
COST			
At 1 January 2021	2,940	441	3,381
Additions	-	296	296
Disposals	-	(141)	(141)
At 31 December 2021	<u>2,940</u>	<u>596</u>	<u>3,536</u>
AMORTISATION			
At 1 January 2021	2,940	349	3,289
Amortisation for year	-	64	64
Eliminated on disposal	-	(141)	(141)
At 31 December 2021	<u>2,940</u>	<u>272</u>	<u>3,212</u>
NET BOOK VALUE			
At 31 December 2021	<u>-</u>	<u>324</u>	<u>324</u>
At 31 December 2020	<u>-</u>	<u>92</u>	<u>92</u>

14. TANGIBLE FIXED ASSETS

	Leasehold improvements £	Plant, machinery and hire equipment £	Office equipment, fixtures and fittings £	Totals £
COST				
At 1 January 2021	561,431	268,848	720,168	1,550,447
Additions	95,456	-	176,652	272,108
Disposals	-	(4,702)	(29,000)	(33,702)
At 31 December 2021	<u>656,887</u>	<u>264,146</u>	<u>867,820</u>	<u>1,788,853</u>
DEPRECIATION				
At 1 January 2021	475,202	83,858	394,960	954,020
Charge for year	68,530	33,106	130,036	231,672
Eliminated on disposal	-	(5,000)	(28,000)	(33,000)
At 31 December 2021	<u>543,732</u>	<u>111,964</u>	<u>496,996</u>	<u>1,152,692</u>
NET BOOK VALUE				
At 31 December 2021	<u>113,155</u>	<u>152,182</u>	<u>370,824</u>	<u>636,161</u>
At 31 December 2020	<u>86,229</u>	<u>184,990</u>	<u>325,208</u>	<u>596,427</u>

Comtec Cable Accessories Limited (Registered number: 01349036)

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2021**

14. TANGIBLE FIXED ASSETS - continued

The net book value of tangible fixed assets, office equipment, fixtures and fittings includes an amount of £62,230 (2020: £96,000) in respect of assets held under finance leases and hire purchase contracts. Depreciation on these assets is £33,927 (2020: £34,000).

15. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
COST	
At 1 January 2021 and 31 December 2021	<u>20,148</u>
NET BOOK VALUE	
At 31 December 2021	<u>20,148</u>
At 31 December 2020	<u>20,148</u>

Subsidiary undertaking

The following was a subsidiary undertaking of the company:

Name	Registered office	Principal activity	Class of shares	Holding
Comtec LLC	United Arab Emirates	Distribution of telecommunications installation equipment	Ordinary	100%

16. STOCKS

	2021 £	2020 £
Finished goods	<u>18,870,698</u>	<u>12,134,717</u>

17. DEBTORS

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	10,397,664	8,604,311
Amounts owed by group undertakings	1,833,979	2,362,340
Amounts owed by participating interests	250,345	250,000
Other debtors	220,548	195,015
Deferred tax asset	-	35,125
Prepayments and accrued income	<u>158,737</u>	<u>232,349</u>
	<u>12,861,273</u>	<u>11,679,140</u>

Amounts falling due after more than one year:

Other debtors	<u>12,300</u>	<u>22,000</u>
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Aggregate amounts	<u>12,873,573</u>	<u>11,701,140</u>
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Comtec Cable Accessories Limited (Registered number: 01349036)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

17. **DEBTORS - continued**

Deferred tax asset		2020
		£
Accelerated capital allowances		<u>35,125</u>

Amounts owed by group undertakings relate to standard trading balances and short term current account balance of £1,834,000 (2020: £2,362,000) on which interest is received at 0%. All balances are deemed repayable on demand.

18. **CASH IN HAND**

	2021	2020
	£	£
Cash in hand	<u>370,254</u>	<u>205,484</u>

19. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2021	2020
	£	£
Bank loans and overdrafts (see note 21)	-	74,569
Finance leases (see note 22)	17,166	23,301
Trade creditors	12,846,773	9,625,660
Amounts owed to group undertakings	10,367	587,929
Tax	217,094	361,506
Social security and other taxes	1,801,622	2,036,352
Confidential invoice discounting facility	5,639,180	3,175,765
Accruals and deferred income	<u>1,204,714</u>	<u>1,312,499</u>
	<u>21,736,916</u>	<u>17,197,581</u>

The confidential invoice discounting ("CID") facility and asset lending facility is secured by a fixed and floating charge over the assets of the company and is drawn against the trade debtors of the company.

Bank facilities are secured by a standard bank debenture and unlimited cross guarantees from Comtec Group (International) Limited.

Obligations under finance leases are secured on the asset to which they relate.

Amounts owed to group undertakings include standard trading balances and short term current account balance of £10,000 (2020: £588,000) and the balances are interest free. All balances are deemed repayable on demand.

20. **CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2021	2020
	£	£
Finance leases (see note 22)	<u>31,471</u>	<u>46,964</u>

Comtec Cable Accessories Limited (Registered number: 01349036)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

21. LOANS

An analysis of the maturity of loans is given below:

	2021 £	2020 £
Amounts falling due within one year or on demand:		
Bank loans	<u>-</u>	<u>74,569</u>

22. LEASING AGREEMENTS

Minimum lease payment under finance leases fall due as follows:

	31.12.21 £'000	31.12.20 £'000
Within one year	17	30
Between 1-5 years	<u>31</u>	<u>53</u>
	<u>48</u>	<u>83</u>

The finance leases primarily relate to information technology and warehousing equipment used in the company's operations. There are no contingent rental, renewal or purchase option clauses.

23. COMMITMENTS UNDER OPERATING LEASES

At 31 December 2021 the company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	31.12.21 £'000	31.12.20 £'000
Land and buildings		
Not later than 1 year	530	269
Later than 1 year and not later than 5 yrs	<u>1,454</u>	<u>154</u>
	<u>1,984</u>	<u>423</u>
Other		
Not later than 1 year	144	116
Later than 1 year and not later than 5 years	<u>226</u>	<u>100</u>
	<u>370</u>	<u>216</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

24. PROVISIONS FOR LIABILITIES

	31.12.21 £'000	31.12.20 £'000
Deferred tax	35	-
Other provisions	<u>629</u>	<u>522</u>
	<u>664</u>	<u>522</u>

25. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
20,000,000	Ordinary shares	0.10	<u>2,000,000</u>	<u>2,000,000</u>

26. PENSION COMMITMENTS

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £83k (2020: £93k).

Contributions totaling £22k (2020: £14k) were payable to the fund at the reporting date and are included in creditors.

27. CONTINGENT LIABILITIES

The performance guarantees may be payable by the company if, once the customer has placed an order, the company fails to deliver goods to the customer.

The duty deferment guarantees are in place, to guarantee that the company will meet their payments due to HM Revenue & Customs in respect of excise duty.

An amount of £300,000 have been provided in these financial statements in respect of the guarantees above (2020: £Nil).

Comtec Cable Accessories Limited (Registered number: 01349036)

Notes to the Financial Statements - continued
for the Year Ended 31 December 2021

28. DEFERRED TAXATION

	31.12.21 £'000	31.12.20 £'000
At beginning of year	35	86
Charged to profit or loss	<u>(70)</u>	<u>(51)</u>
At end of year	<u>(35)</u>	<u>35</u>

The deferred tax asset/(liability) is made up as follows:

	31.12.21 £'000	31.12.20 £'000
Accelerated capital allowances	(90)	(61)
Other short term timing differences	<u>55</u>	<u>96</u>
	<u>(35)</u>	<u>35</u>

29. CONTROLLING PARTY

As of 31 December 2021, the immediate parent company is Comtec Group (International) Limited registered in England and Wales. The smallest group in which the results of the Company are consolidated is Comtec Group (International) Limited. The consolidated financial statements can be obtained from its registered office Cardinal Way, Cardinal Distribution Park, Godmanchester, Huntingdon, PE29 2XN.

The largest group & the ultimate parent entity in which the results of the company are consolidated is headed by Telemachus Holding which is registered in France and the registered office address is Telemachus Holding, Zone Artisanale des Alouettes, 1 rue des Alouettes, 95600, Eaubonne, France.

The ultimate controlling party as at 31 December 2021 was CEPT IV Participations S.a.r.l SICAR (Luxembourg), a company registered in Luxembourg.