

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND
AUDITED FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018
FOR
INTERCONNECT PRODUCTS LIMITED**

d&t
Chartered Accountants & Statutory Auditors
Swatton Barn
Badbury
Swindon
Wiltshire
SN4 0EU



**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

	Page
Company Information	1
Strategic Report	2
Report of the Directors	3
Report of the Independent Auditors	5
Income Statement	7
Other Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13

INTERCONNECT PRODUCTS LIMITED

**COMPANY INFORMATION
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

DIRECTORS:

L Han
D Huang

REGISTERED OFFICE:

IPL House
Templars Way Industrial Estate
Wootton Bassett
Swindon
Wiltshire
SN4 7SA

REGISTERED NUMBER:

02455502 (England and Wales)

**SENIOR STATUTORY
AUDITOR:**

Benjamin Herbert

AUDITORS:

d&t
Chartered Accountants & Statutory Auditors
Swatton Barn
Badbury
Swindon
Wiltshire
SN4 0EU

BANKERS:

National Westminster Bank Plc
84 Commercial Road
Swindon
Wiltshire
SN1 5NW

**STRATEGIC REPORT
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

The directors present their strategic report for the period 1 April 2018 to 31 December 2018.

REVIEW OF BUSINESS

Interconnect Products Limited's activity is the sale of electronic components and cable harnesses.

The results for the year and financial position of the company are as shown in the annexed accounts. The key financial highlights are as follows:

	Period End December 2018 £	Year End March 2018 £	Year End March 2017 £	Year End March 2016 £
Gross Profit	2,984,704	3,770,613	3,718,600	4,828,148
Profit before tax	1,695,513	1,610,664	2,342,271	3,733,234
Dividends	-	-	1,200,000	4,246,000
Shareholders' funds	10,917,045	9,514,008	8,242,267	7,584,804

The gross profit margin has increased from last year on a pro rata basis, as this period is for 9 months. Competition in the industry is fierce due to global market competition. The company continues to improve its efficiency in its operations in order to continue its profitability and competitiveness in continuing changing market conditions.

PRINCIPAL RISKS AND UNCERTAINTIES

The company continues to strengthen its position as a leading global supplier of cables and connectors, and is "best in class" for a number of blue chip electronic companies. The company sees the current economic climate as volatile with a number of uncertainties present, namely Brexit, the worsening trade relations between the USA and China, and the continuation of M&As - but is strategically planning and actively implementing new measures to overcome these potential future challenges. Furthermore, the company continues to look at new technologies to further strengthen its product portfolio, and new market sectors to widen the company's customer base.

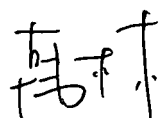
Due to the continued increases in competition within the above sectors, the company is continually evolving and actively developing new technologies and has established new business in the Automotive and Industrial Electronics market sectors.

GOING CONCERN

The directors have prepared cash flow forecasts for a period extending to at least twelve months from the date of approval of these financial statements. The directors are satisfied that those forecasts, which take account trading performance noted above, provide a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the company continues to adopt the going concern basis.

ON BEHALF OF THE BOARD:

L Han - Director



21 June 2019

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

The directors present their report with the financial statements of the company for the period 1 April 2018 to 31 December 2018.

PRINCIPAL ACTIVITY

The principal activity of the company in the period under review was that of the sale of electronic components and cable harnesses.

DIVIDENDS

The directors recommend that no final dividend be paid.

The total distribution of dividends for the period ended 31 December 2018 will be £Nil.

FUTURE DEVELOPMENTS

The directors are pleased with the results for the year, and anticipate this to continue for the foreseeable future.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 April 2018 to the date of this report.

L Han
D Huang

FINANCIAL INSTRUMENTS

The company's principal financial instruments comprise bank balances, bank overdrafts, trade creditors, trade debtors and loans to the company. The main purpose of these instruments are to raise funds for the company's operations and to finance the company's operations.

Due to the nature of the financial instruments used by the company there is no exposure to price risk. The company's approach to managing other risks applicable to the financial instruments concerned is shown below.

In respect of bank balances the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the use of overdrafts at floating rates of interest.

In respect of loans these comprise of loans from financial institutions to fund its trade debtors. The interest rate on the loans is variable.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and the regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring that sufficient funds are available to meet amounts due.

DISCLOSURE IN THE STRATEGIC REPORT

The business review disclosure has been included in the strategic report.

**REPORT OF THE DIRECTORS
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

STATEMENT OF DIRECTORS' RESPONSIBILITIES

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). 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS

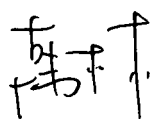
So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant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

AUDITORS

The auditors, d&t, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

ON BEHALF OF THE BOARD:

L Han - Director



21 June 2019

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INTERCONNECT PRODUCTS LIMITED

Opinion

We have audited the financial statements of Interconnect Products Limited (the 'company') for the period ended 31 December 2018 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. 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).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the period 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 Auditors' 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF INTERCONNECT PRODUCTS LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

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.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page four, 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 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.

Auditors' 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 a Report of the Auditors 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 Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

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 a Report of the Auditors 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.



Benjamin Herbert (Senior Statutory Auditor)
for and on behalf of d&t
Chartered Accountants & Statutory Auditors
Swatton Barn
Badbury
Swindon
Wiltshire
SN4 0EU

21 June 2019

INTERCONNECT PRODUCTS LIMITED (REGISTERED NUMBER: 02455502)**INCOME STATEMENT
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

		PERIOD 1.4.18 TO 31.12.18		YEAR ENDED 31.3.18	
	Notes	£	£	£	£
TURNOVER	3		21,063,917		31,132,482
Cost of sales			18,079,213		27,361,869
GROSS PROFIT			2,984,704		3,770,613
Distribution costs		69,899		116,153	
Administrative expenses		1,219,809		2,044,109	
			1,289,708		2,160,262
OPERATING PROFIT	5		1,694,996		1,610,351
Interest receivable and similar income			517		313
PROFIT BEFORE TAXATION			1,695,513		1,610,664
Tax on profit	7		292,476		338,923
PROFIT FOR THE FINANCIAL PERIOD			1,403,037		1,271,741

The notes form part of these financial statements

INTERCONNECT PRODUCTS LIMITED (REGISTERED NUMBER: 02455502)

**OTHER COMPREHENSIVE INCOME
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

	Notes	PERIOD 1.4.18 TO 31.12.18 £	YEAR ENDED 31.3.18 £
PROFIT FOR THE PERIOD		1,403,037	1,271,741
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		<u>1,403,037</u>	
Prior year adjustment			<u>(220,796)</u>
TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT			<u>1,050,945</u>

The notes form part of these financial statements

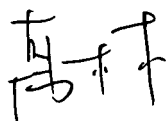
INTERCONNECT PRODUCTS LIMITED (REGISTERED NUMBER: 02455502)

**BALANCE SHEET
31 DECEMBER 2018**

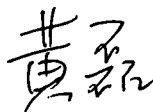
	Notes	2018 £	2018 £
FIXED ASSETS			
Tangible assets	8	410,000	412,935
CURRENT ASSETS			
Stocks	9	320,546	8,630
Debtors	10	13,578,828	11,851,018
Cash at bank		271,219	784,393
		<u>14,170,593</u>	<u>12,644,041</u>
CREDITORS			
Amounts falling due within one year	11	<u>3,663,548</u>	<u>3,542,968</u>
NET CURRENT ASSETS		<u>10,507,045</u>	<u>9,101,073</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>10,917,045</u>	<u>9,514,008</u>
CAPITAL AND RESERVES			
Called up share capital	16	49,864	49,864
Revaluation reserve	17	220,796	220,796
Capital redemption reserve	17	5,536	5,536
Retained earnings	17	<u>10,640,849</u>	<u>9,237,812</u>
SHAREHOLDERS' FUNDS		<u>10,917,045</u>	<u>9,514,008</u>

The financial statements were approved by the Board of Directors on 21 June 2019 and were signed on its behalf by:

L Han - Director



D Huang - Director



The notes form part of these financial statements

INTERCONNECT PRODUCTS LIMITED (REGISTERED NUMBER: 02455502)

**STATEMENT OF CHANGES IN EQUITY
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

	Called up share capital £	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 April 2017	49,864	8,186,867	220,796	5,536	8,463,063
Prior year adjustment	-	(220,796)	-	-	(220,796)
As restated	49,864	7,966,071	220,796	5,536	8,242,267
Changes in equity					
Total comprehensive income	-	1,271,741	-	-	1,271,741
Balance at 31 March 2018	49,864	9,237,812	220,796	5,536	9,514,008
Changes in equity					
Total comprehensive income	-	1,403,037	-	-	1,403,037
Balance at 31 December 2018	49,864	10,640,849	220,796	5,536	10,917,045

The notes form part of these financial statements

INTERCONNECT PRODUCTS LIMITED (REGISTERED NUMBER: 02455502)

**CASH FLOW STATEMENT
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

	Notes	PERIOD 1.4.18 TO 31.12.18 £	YEAR ENDED 31.3.18 £
Cash flows from operating activities			
Cash generated from operations	1	(246,177)	791,988
Tax paid		(267,514)	(502,638)
Net cash from operating activities		<u>(513,691)</u>	<u>289,350</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		-	(46,400)
Interest received		517	313
Net cash from investing activities		<u>517</u>	<u>(46,087)</u>
(Decrease)/increase in cash and cash equivalents		<u>(513,174)</u>	<u>243,263</u>
Cash and cash equivalents at beginning of period	2	784,393	541,130
Cash and cash equivalents at end of period	2	<u><u>271,219</u></u>	<u><u>784,393</u></u>

The notes form part of these financial statements

INTERCONNECT PRODUCTS LIMITED (REGISTERED NUMBER: 02455502)

**NOTES TO THE CASH FLOW STATEMENT
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	PERIOD 1.4.18 TO 31.12.18 £	YEAR ENDED 31.3.18 £
Profit before taxation	1,695,513	1,610,664
Depreciation charges	2,935	55,454
Finance income	(517)	(313)
	<hr/>	<hr/>
Increase in stocks	1,697,931	1,665,805
(Increase)/decrease in trade and other debtors	(311,916)	(7,618)
Increase/(decrease) in trade and other creditors	(1,728,301)	2,851,294
	<hr/>	<hr/>
Cash generated from operations	<u>(246,177)</u>	<u>791,988</u>

2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

Period ended 31 December 2018

	31.12.18 £	1.4.18 £
Cash and cash equivalents	<u>271,219</u>	<u>784,393</u>

Year ended 31 March 2018

	31.3.18 £	1.4.17 £
Cash and cash equivalents	<u>784,393</u>	<u>541,130</u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

1. STATUTORY INFORMATION

Interconnect Products Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

During the period, the company shortened its financial period end to December 2018, so that it will now be the same as the company's ultimate parent company.

2. ACCOUNTING POLICIES

BASIS OF PREPARING THE FINANCIAL STATEMENTS

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

RELATED PARTY EXEMPTION

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

TURNOVER

Turnover represents net invoiced sales of goods, excluding value added tax.

Income is recognised when the company's sales orders have been completed to its customer requests.

TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- 2% straight line basis
Plant and machinery	- 33% straight line basis, 25% straight line basis and at varying rates on cost
Motor vehicles	- at varying rates on cost

The company have their freehold property professionally valued every five years.

STOCKS

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

TAXATION

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

2. ACCOUNTING POLICIES - continued

DEFERRED TAX

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

FOREIGN CURRENCIES

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

HIRE PURCHASE AND LEASING COMMITMENTS

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

PENSION COSTS AND OTHER POST-RETIREMENT BENEFITS

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

3. TURNOVER

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

The directors consider that a geographical analysis of turnover would be seriously prejudicial to the company's interest in terms of commercial sensitivity, and as such have not included a split of geographical turnover.

4. EMPLOYEES AND DIRECTORS

	PERIOD 1.4.18 TO 31.12.18 £	YEAR ENDED 31.3.18 £
Wages and salaries	395,451	550,510
Social security costs	17,090	28,990
Other pension costs	6,431	8,181
	<u>418,972</u>	<u>587,681</u>

INTERCONNECT PRODUCTS LIMITED (REGISTERED NUMBER: 02455502)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

4. EMPLOYEES AND DIRECTORS - continued

The average number of employees during the period was as follows:

	PERIOD 1.4.18 TO 31.12.18	YEAR ENDED 31.3.18
Management	2	2
Admin staff	7	7
	<u>9</u>	<u>9</u>

	PERIOD 1.4.18 TO 31.12.18 £	YEAR ENDED 31.3.18 £
Directors' remuneration	225,732	294,571
	<u>225,732</u>	<u>294,571</u>

Information regarding the highest paid director is as follows:

	PERIOD 1.4.18 TO 31.12.18 £	YEAR ENDED 31.3.18 £
Emoluments etc	123,126	160,675
	<u>123,126</u>	<u>160,675</u>

5. OPERATING PROFIT

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

	PERIOD 1.4.18 TO 31.12.18 £	YEAR ENDED 31.3.18 £
Hire of plant and machinery	17,059	19,624
Depreciation - owned assets	2,935	55,454
Foreign exchange differences	(109,511)	114,370
Loss / (profit) on foreign exchange	(281,937)	234,786
	<u>(281,937)</u>	<u>234,786</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

6. AUDITORS' REMUNERATION

	PERIOD 1.4.18 TO 31.12.18 £	YEAR ENDED 31.3.18 £
Fees payable to the company's auditors for the audit of the company's financial statements	15,315	14,070
Total audit fees	<u>15,315</u>	<u>14,070</u>
Auditors' remuneration for non audit work	5,195	7,122
Total non-audit fees	<u>5,195</u>	<u>7,122</u>
Total fees payable	<u>20,510</u>	<u>21,192</u>

The fees payable to the company's auditors for the audit of the company's financial statements were £13,390 (2018 - £12,145) for the auditing of the accounts in question, and £1,925 (2018 £1,925) for taxation compliance services.

7. TAXATION

Analysis of the tax charge

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

	PERIOD 1.4.18 TO 31.12.18 £	YEAR ENDED 31.3.18 £
Current tax: UK corporation tax	291,985	341,373
Deferred tax	491	(2,450)
Tax on profit	<u>292,476</u>	<u>338,923</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

7. TAXATION - continued

RECONCILIATION OF TOTAL TAX CHARGE INCLUDED IN PROFIT AND LOSS

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

	PERIOD 1.4.18 TO 31.12.18 £	YEAR ENDED 31.3.18 £
Profit before tax	<u>1,695,513</u>	<u>1,610,664</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	322,147	306,026
Effects of:		
Expenses not deductible for tax purposes	(28,972)	35,957
Depreciation in excess of capital allowances	491	92
Group relief	(699)	(702)
Deferred tax	(491)	(2,450)
Total tax charge	<u>292,476</u>	<u>338,923</u>

8. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST OR VALUATION				
At 1 April 2018 and 31 December 2018	<u>395,000</u>	<u>46,400</u>	<u>63,890</u>	<u>505,290</u>
DEPRECIATION				
At 1 April 2018	-	46,400	45,955	92,355
Charge for period	-	-	2,935	2,935
At 31 December 2018	<u>-</u>	<u>46,400</u>	<u>48,890</u>	<u>95,290</u>
NET BOOK VALUE				
At 31 December 2018	<u>395,000</u>	<u>-</u>	<u>15,000</u>	<u>410,000</u>
At 31 March 2018	<u>395,000</u>	<u>-</u>	<u>17,935</u>	<u>412,935</u>

Included in cost or valuation of land and buildings is freehold land of £93,468 (2018 - £93,468) which is not depreciated.

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

8. TANGIBLE FIXED ASSETS - continued

Cost or valuation at 31 December 2018 is represented by:

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
Valuation in 2018	183,698	-	-	183,698
Cost	211,302	46,400	63,890	321,592
	<u>395,000</u>	<u>46,400</u>	<u>63,890</u>	<u>505,290</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2018 £	2018 £
Cost	<u>211,302</u>	<u>211,302</u>
Aggregate depreciation	<u>76,618</u>	<u>74,196</u>
Value of land in freehold land and buildings	<u>50,000</u>	<u>50,000</u>

Freehold land and buildings were valued on an open market basis on 9 May 2018 by Whitmarsh Lockhart, Chartered Surveyors.

9. STOCKS

	2018 £	2018 £
Stocks	<u>320,546</u>	<u>8,630</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2018 £
Trade debtors	6,521,011	4,908,911
Amounts owed by group undertakings	7,017,769	6,904,736
Deferred tax asset	6,544	7,035
Prepayments and accrued income	33,504	30,336
	<u>13,578,828</u>	<u>11,851,018</u>

Deferred tax asset

	2018 £	2018 £
Accelerated capital allowances	7,429	7,920
Other timing differences	(885)	(885)
	<u>6,544</u>	<u>7,035</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR - continued

Amounts owed by group undertakings are interest free, and are assumed to be repayable on demand. The directors have considered the anticipated timeframe for these repayments, and are of the opinion that there is some degree of uncertainty to the timeframe of repayment and accordingly discounting under FRS102 could be appropriate. If these amounts were discounted at 2.5% with a repayment profile over 6 years it would lead to a £445,000 discount at the year end. As the repayments could be quicker and are repayable on demand the directors have not discounted these amounts in the financial statements.

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2018 £	2018 £
Trade creditors	3,011,018	3,441,360
Tax	79,753	55,282
Social security and other taxes	9,366	10,769
VAT	23,433	16,497
Other creditors	520,918	-
Accruals and deferred income	19,060	19,060
	<u>3,663,548</u>	<u>3,542,968</u>

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2018 £
Within one year	<u>30,000</u>	<u>30,000</u>

13. SECURED DEBTS

The following secured debts are included within creditors:

	2018 £	2018 £
Other creditors	<u>520,918</u>	<u>-</u>

Included within other creditors are £520,918 (2018 - £Nil) which are secured on the company's trade debtors.

National Westminster Bank Plc have a charge on the company's freehold property, dated 9 September 1997. They also have a debenture on the company's present and future assets, in a debenture dated 8 July 2008.

RBS Invoice Finance Limited have a fixed and floating charge, dated 7 July 2006 and 8 July 2008, over the present and future assets.

INTERCONNECT PRODUCTS LIMITED (REGISTERED NUMBER: 02455502)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

14. FINANCIAL INSTRUMENTS

The Company's financial instruments may be analysed as follows:

	Period End 31.12.18 £	Year End 31.03.18 £
Financial assets		
Financial assets measured at fair value through profit or loss	-	-
Financial assets measured at amortised cost	13,545,324	11,820,682
	<u>13,545,324</u>	<u>11,820,682</u>
Financial liabilities		
Financial liabilities measured at fair value through profit or loss	-	-
Financial liabilities measured at amortised cost	3,564,737	3,468,626
	<u>3,564,737</u>	<u>3,468,626</u>

Financial assets measured at amortised cost comprise trade debtors, amounts owed by group undertakings and deferred tax asset.

Financial liabilities measured at amortised cost comprise of trade creditors, social security and other taxes, VAT and other creditors.

15. DEFERRED TAX

	£
Balance at 1 April 2018	(7,035)
Reversal of timing differences	491
	<u> </u>
Balance at 31 December 2018	<u>(6,544)</u>

16. CALLED UP SHARE CAPITAL

Number:	Class:	Nominal value:	2018 £	2018 £
49,864	Ordinary	£1	<u>49,864</u>	<u>49,864</u>

17. RESERVES

	Retained earnings £	Revaluation reserve £	Capital redemption reserve £	Totals £
At 1 April 2018	9,237,812	220,796	5,536	9,464,144
Profit for the period	1,403,037			1,403,037
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
At 31 December 2018	<u>10,640,849</u>	<u>220,796</u>	<u>5,536</u>	<u>10,867,181</u>

INTERCONNECT PRODUCTS LIMITED (REGISTERED NUMBER: 02455502)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE PERIOD 1 APRIL 2018 TO 31 DECEMBER 2018**

18. ULTIMATE PARENT COMPANY

At the balance sheet date the ultimate parent company is Slinke Co. Ltd, a company incorporated in Belize. Slinke Co. Ltd are the 100% parent of Reflex Electronics Limited, a company incorporated in England and Wales, who are the 100% parent of Interconnect Products Limited.

19. RELATED PARTY DISCLOSURES

During the year the company entered into transactions with the following related parties. The price charged was the normal market rate in respect of each individual transaction.

Name of related party	Nature of relationship	Transaction details	Income / (expense) £	Debtor / (creditor) £
Slinke Co. Ltd	Ultimate parent company	Loan account		2,588,367
		Purchases	(6,839,162)	
		Recharged costs	(851,631)	
		Trade creditor		(667,044)

During the period, a total of key management personnel compensation of £315,732 (2018 - £414,571) was paid.

20. ULTIMATE CONTROLLING PARTY

At the balance sheet date the ultimate controlling party is considered to be L Han, the majority shareholder of Slinke Co. Ltd.