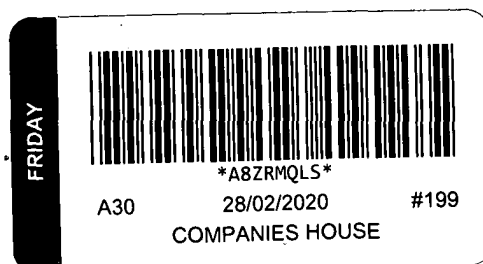


Registration number: 10145670

Sigma Components Limited

Annual Report and Financial Statements

for the Year Ended 31 May 2019



Sigma Components Limited

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Sigma Components Limited

Company Information

Directors	M S Johnson E J Riley
Registered office	Unit 1 Finch Way Hemdale Business Park Nuneaton Warwickshire CV11 6GL
Independent auditors	PricewaterhouseCoopers LLP Donington Court Pegasus Business Park East Midlands DE74 2UZ

Sigma Components Limited

Strategic Report for the Year Ended 31 May 2019

The directors present their strategic report for Sigma Components Limited (the "company") for the year ended 31 May 2019.

Fair review of the business

The Company acts as a holding company within the Sigma group of companies (Sigma Components Holdings Limited and its subsidiaries, The "Group"). The Company is expected to continue to act as a holding company. The company is a private company limited by shares and is registered in England, incorporated and domiciled in the United Kingdom. The company is a wholly owned subsidiary of Sigma Components Holdings Limited which is registered in the United Kingdom.

The results of the Company show a loss before tax of £4.3m during the year (2018 - profit before tax of £5.2m). During the year the company did not receive any dividends (2018 - £8.18m). The Company has net assets of £26.9m (2018 - £31.2m).

The Directors have performed a going concern assessment by reviewing the latest forecasts of the Company in the context of its trading prospects. Furthermore, the specific items outlined below have been considered.

The Company is an obligor to certain lending arrangements and facilities entered into by its parent undertaking, Sigma Components Holdings Limited and its subsidiary undertakings. The Group has various facilities and loan arrangements maturing between 2022 and 2023.

The Directors have taken into consideration the obligations of the Company under the lending and facility arrangements, the strong liquidity of the Group and the cash flows, and have concluded that a going concern basis of preparation of its financial statements is appropriate.

Principal risks and uncertainties

From the perspective of the Company, the principal risks and uncertainties are integrated with the principal risks of the Group and are not managed separately. Accordingly, the principal risks and uncertainties of the Group, which include those of the Company, are discussed within the Report of the directors of the Sigma Components Holdings Limited annual report which does not form part of this report.

Key performance indicators

The key performance indicators of the business are integrated with Sigma Components Holdings Limited. The directors of Sigma Components Holdings Limited manage the Group's operations on a divisional basis. Further discussion of the performance of the Group, which includes the Company, is provided within the Report of the directors of the Sigma Components Holdings Limited annual report which does not form part of this report.

Approved by the Board on 28 February 2020 and signed on its behalf by:



E J Riley
Director

Sigma Components Limited

Directors' Report for the Year Ended 31 May 2019

The directors present their report and the financial statements for the year ended 31 May 2019.

Principal activity

The principal activity of the company is that of a holding company.

Results and dividends

The company showed a loss after tax of £4.3m for the year (2018 - profit of £5.2m).

There were no dividends received (2018 - £8.18m) or paid (2018 - £6.65m) during the year.

Directors of the company

The directors who held office during the year and up to the date of signing the financial statements, unless otherwise stated, were as follows:

M S Johnson

E J Riley

Financial risk management

Financial risk management objectives and policies, including the policy for hedging and managing exposure to price, credit, liquidity and cash flow risk, are set for the Group as a whole. As a result, the financial risk management policy is disclosed in the Group financial statements and so no separate disclosure is included within this report.

Future developments

The future developments are considered for the Group as a whole and can be viewed in the Group financial statements.

Directors' liabilities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

Sigma Components Limited

Directors' Report for the Year Ended 31 May 2019

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- 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 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 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.

Disclosure of information to the auditors

In the case of each director in office at the date the Directors' Report is approved:

- so far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- they have taken all the steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Approved by the Board on 28 February 2020 and signed on its behalf by:


E J Riley
Director

Sigma Components Limited

Independent Auditor's Report to the Members of Sigma Components Limited

Report on the audit of the financial statements

Opinion

In our opinion, Sigma Components Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 May 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 May 2019; the profit and loss account, the statement of comprehensive income; the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Conclusions relating to going concern

ISAs (UK) require us to report to you when:

- 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.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms of the United Kingdom's withdrawal from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

Sigma Components Limited

Independent Auditor's Report to the Members of Sigma Components Limited

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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

With respect to the Strategic Report and Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Strategic Report and Directors' Report

In our opinion, based on the work undertaken in the course of the audit, the information given in the Strategic Report and Directors' Report for the year ended 31 May 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Strategic Report and Directors' Report.

Responsibilities for the financial statements and the audit

Responsibilities of the directors for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they 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.

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 an auditors' 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 auditors' report.

Sigma Components Limited

Independent Auditor's Report to the Members of Sigma Components Limited

Use of this report

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- certain disclosures of directors' remuneration specified by law are not made; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.



.....
David Teager (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
East Midlands

28 February 2020

Sigma Components Limited

Profit and Loss Account for the Year Ended 31 May 2019

	Note	2019 £	2018 £
Administrative expenses		<u>(366,520)</u>	<u>(180,124)</u>
Operating loss		(366,520)	(180,124)
Income from shares in group undertakings		-	8,181,000
Interest payable and similar expenses	6	<u>(3,928,121)</u>	<u>(2,801,527)</u>
(Loss)/profit before tax		(4,294,641)	5,199,349
Taxation	7	<u>-</u>	<u>-</u>
(Loss)/profit for the financial year		<u><u>(4,294,641)</u></u>	<u><u>5,199,349</u></u>

The notes on pages 12 to 21 form an integral part of these financial statements.

Sigma Components Limited

Statement of Comprehensive Income for the Year Ended 31 May 2019

	2019	2018
	£	£
(Loss)/profit for the year	<u>(4,294,641)</u>	<u>5,199,349</u>
Total comprehensive (expense)/income for the year	<u><u>(4,294,641)</u></u>	<u><u>5,199,349</u></u>

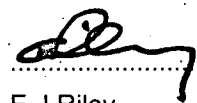
The notes on pages 12 to 21 form an integral part of these financial statements.

Sigma Components Limited

(Registration number: 10145670)
Balance Sheet as at 31 May 2019

	Note	2019 £	2018 £
Fixed assets			
Investments	8	65,960,275	65,960,275
Current assets			
Debtors	9	43,149	42,878
Cash at bank and in hand	10	63,798	48,550
		<u>106,947</u>	<u>91,428</u>
Creditors: Amounts falling due within one year	11	<u>(15,459,666)</u>	<u>(8,432,551)</u>
Net current liabilities		<u>(15,352,719)</u>	<u>(8,341,123)</u>
Total assets less current liabilities		50,607,556	57,619,152
Creditors: Amounts falling due after more than one year	11	<u>(23,721,254)</u>	<u>(26,438,209)</u>
Net assets		<u>26,886,302</u>	<u>31,180,943</u>
Capital and reserves			
Called up share capital	13	34,157,771	34,157,771
Profit and loss account		<u>(7,271,469)</u>	<u>(2,976,828)</u>
Total shareholders' funds		<u>26,886,302</u>	<u>31,180,943</u>

Approved and authorised by the Board on 28 February 2020 and signed on its behalf by:



 E J Riley
 Director

The notes on pages 12 to 21 form an integral part of these financial statements.

Sigma Components Limited

Statement of Changes in Equity for the Year Ended 31 May 2019

	Share capital £	Profit and loss account £	Total £
At 1 June 2018	34,157,771	(2,976,828)	31,180,943
Loss for the year	-	(4,294,641)	(4,294,641)
Total comprehensive expense	-	(4,294,641)	(4,294,641)
At 31 May 2019	<u>34,157,771</u>	<u>(7,271,469)</u>	<u>26,886,302</u>

	Share capital £	Profit and loss account £	Total £
At 1 June 2017	34,157,771	(1,525,177)	32,632,594
Profit for the year	-	5,199,349	5,199,349
Total comprehensive income	-	5,199,349	5,199,349
Dividends	-	(6,651,000)	(6,651,000)
At 31 May 2018	<u>34,157,771</u>	<u>(2,976,828)</u>	<u>31,180,943</u>

The notes on pages 12 to 21 form an integral part of these financial statements.

Sigma Components Limited

Notes to the Financial Statements for the Year Ended 31 May 2019

1 General information

The company is a private company limited by share capital, registered in England and incorporated in United Kingdom.

The address of its registered office is:

Unit 1 Finch Way
Hemdale Business Park
Nuneaton
Warwickshire
CV11 6GL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

Basis of preparation

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value. The financial statements have been prepared in accordance with the Companies Act 2006.

Summary of 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 4 Statement of Financial Position paragraph 4.12(a)(iv);
- 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 to 12.27, 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Sigma Components Holdings Limited as at 31 May 2019 and these financial statements may be obtained from Unit 1 Finch Way, Hemdale Business Park, Nuneaton, Warwickshire, CV11 6GL.

Sigma Components Limited

Notes to the Financial Statements for the Year Ended 31 May 2019

2 Accounting policies (continued)

Group financial statements not prepared

The company is a parent company that is also a subsidiary included in the consolidated financial statements of its immediate parent undertaking established under the law of an EEA state and is therefore exempt from the requirement to prepare consolidated financial statements under section 400 of the Companies Act 2006.

Investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Debtors

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

Cash and cash equivalents

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

Financial instruments

The Company only enters into basic financial instruments transactions that result 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. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet 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.

Sigma Components Limited

Notes to the Financial Statements for the Year Ended 31 May 2019

2 Accounting policies (continued)

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.

Foreign currency translation

Functional and presentation currency

The company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

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'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'other operating income'.

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

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

Sigma Components Limited

Notes to the Financial Statements for the Year Ended 31 May 2019

2 Accounting policies (continued)

Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, 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 balance sheet date in the countries where the company operates and generate income.

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

- The recognition of deferred tax assets is limited to the extent that 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 balance sheet date.

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

Significant judgements and estimates

Preparation of the financial statements require management to make significant judgements and estimates. The items included in the financial statements where these judgements and estimates have been made include:

Investments

Investments in subsidiary undertakings are stated at cost, less any provision for diminution in value. Investments are tested for impairment annually by comparing the value of the investments to the net assets of the subsidiary that the investment is held in. If these net assets are not sufficient then a comparison to the forecast discounted future cash flows of the entity is performed to assess whether this is sufficient to support the level of the asset. In the cases where the full amount of the asset is not supported by this forecasted amount then a provision is recorded for the value of the asset that is not supportable.

Recoverability of amounts owed by group undertakings

The recoverability of amounts owed by group undertakings is assessed by comparing the value of the debtor to the net assets of the company which owes the debt. If these net assets are not sufficient then a comparison to the forecast discounted future cash flows of the entity is performed to assess whether this is sufficient to support the level of the asset. In cases where the full amount of the asset is not supported by this forecasted amount then a provision is recorded for the value of the asset that is not supportable.

Sigma Components Limited

Notes to the Financial Statements for the Year Ended 31 May 2019

4 Employees

The company has no employees (2018 - Nil), other than the directors, who are employed and paid by a fellow group company.

5 Auditors' remuneration

	2019	2018
	£	£
Audit of the financial statements	<u>1,000</u>	<u>1,000</u>

Fees payable to the company's auditors for the audit of the company's annual financial statements were borne by another group company.

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

6 Interest payable and similar expenses

	2019	2018
	£	£
Interest on bank overdrafts and borrowings	1,961,441	1,238,912
Amortisation of debt issue costs	780,000	439,000
Foreign exchange losses on borrowings	<u>1,186,680</u>	<u>1,123,615</u>
	<u>3,928,121</u>	<u>2,801,527</u>

Sigma Components Limited

Notes to the Financial Statements for the Year Ended 31 May 2019

7 Taxation

Tax charged in the income statement

	2019 £	2018 £
Current taxation		
UK corporation tax	-	-

The tax on (loss)/profit before tax for the year is higher than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
(Loss)/profit before tax	(4,294,641)	5,199,349
Corporation tax at standard rate	(815,982)	987,876
Effect of income exempt from taxation	-	(1,554,390)
Deferred tax not provided	83,410	-
Group relief surrendered for no consideration	732,572	566,514
Total tax charge	-	-

Factors that may affect future tax charges

Changes to the UK corporation tax rates were substantively enacted as part of Finance Bill 2015 (on 26 October 2015) and Finance Bill 2016 (on 7 September 2016). These include reductions to the main rate to reduce the rate to 17% from 1 April 2020. Deferred taxes at the balance sheet date have been measured using these enacted tax rates and reflected in these financial statements.

8 Investments

	2019 £	2018 £
Investments in subsidiaries	65,960,275	65,960,275
Subsidiaries		£
Cost or valuation		
At 1 June 2018 and 31 May 2019		65,960,275
Carrying amount		
At 31 May 2019		65,960,275
At 31 May 2018		65,960,275

Sigma Components Limited

Notes to the Financial Statements for the Year Ended 31 May 2019

8 Investments (continued)

Subsidiary undertakings

The following were subsidiary undertakings of the company:

Name	Principal activity	Class of shares	Holding 2019	2018
Sigma Components (Farnborough) Limited	Manufacture of metal structures, parts of structures and other fabricated metal products	Ordinary	100%	100%
Sigma Precision Components Limited	Management consultancy activities	Ordinary	100%	100%
Sigma Precision Components UK Limited	Machining, manufacture of fasteners, screw machine products and other fabricated metal products	Ordinary	100%	100%
C&H Precision Finishers Limited	Aerospace services company	Ordinary	100%	100%
Sigma Components (Derby) Limited	Non-trading company	Ordinary	100%	100%
Hartshill Ventures Limited	Non-trading company	Ordinary	100%	100%
Chengdu Sigma Precision Components Limited	Machining, manufacture of fasteners, screw machine products and other fabricated metal products	Ordinary	100%	100%
Xi'an Sigma Precision Components Limited	Machining, manufacture of fasteners, screw machine products and other fabricated metal products	Ordinary	100%	100%

Registered office

Chengdu Sigma Precision Components Limited: Unit 8, 8 Kexin Road, Chengdu, Sichuan, PR China

Xi'an Sigma Precision Components Limited: 5 Lantian Road, Xi'an, Shaanxi, PR China

All other subsidiaries: Unit 1 Finch Way, Hemdale Business Park, Nuneaton, CV11 6GL

Sigma Components Limited

Notes to the Financial Statements for the Year Ended 31 May 2019

9 Debtors

	2019 £	2018 £
Other debtors	7,483	17,211
Prepayments and accrued income	35,666	25,667
	<u>43,149</u>	<u>42,878</u>

10 Cash at bank and in hand

	2019 £	2018 £
Cash on hand	<u>63,798</u>	<u>48,550</u>

11 Creditors

	Note	2019 £	2018 £
Due within one year			
Loans and borrowings	12	806,000	2,259,000
Trade creditors		32,899	-
Amounts due to group undertakings		14,604,100	6,143,288
Accruals		16,667	30,263
		<u>15,459,666</u>	<u>8,432,551</u>
Due after more than one year			
Loans and borrowings	12	<u>23,721,254</u>	<u>26,438,209</u>

No interest is payable on the amounts due to group undertakings.

Sigma Components Limited

Notes to the Financial Statements for the Year Ended 31 May 2019

12 Loans and borrowings

	2019 £	2018 £
Non-current loans and borrowings		
Bank borrowings	<u>23,721,254</u>	<u>26,438,209</u>

	2019 £	2018 £
Current loans and borrowings		
Bank borrowings	<u>806,000</u>	<u>2,259,000</u>

The bank debt is in two tranches, the GBP A term has a margin of 3.5% over 3 month GBP LIBOR and the USD A term has a margin of 3.5% over 3 month USD LIBOR. The GBP B term has a margin of 4.0% over 3 month GBP LIBOR and the USD B term has a margin of 4.0% over 3 month USD LIBOR.

The A term amortises 6 monthly and the B term is non-amortising. The termination date for the A term is 31 May 2022 and the B term is 31 May 2023.

There are undrawn facilities totalling £21m with termination dates on 31 May 2022. The margin on these facilities is 3.5%.

13 Called up share capital

	2019 £	2018 £
Allotted, called up and fully paid		
34,157,771 (2018 - 34,157,771) Ordinary shares of £1 (2018 - £1) each	<u>34,157,771</u>	<u>34,157,771</u>

14 Dividends

	2019 £	2018 £
Interim dividend of £Nil (2018 - £0.195) per ordinary share	<u>-</u>	<u>6,651,000</u>

Sigma Components Limited

Notes to the Financial Statements for the Year Ended 31 May 2019

15 Guarantees

The Company has given a guarantee in respect of the borrowings of Sigma Components Limited which amounted to £24,527,254 at 31 May 2019 (2018 - £28,697,209).

The Company is a participant in the group banking arrangement under which all assets, uncalled capital, undertakings present and future are held as collateral for bank facilities advanced to a group member. The Company has issued an unlimited guarantee to the banks to support these group facilities.

16 Controlling party

The immediate parent undertaking and controlling party is Sigma Components Midco 2 Limited.

The ultimate parent undertaking is Sigma Components Holdings Limited, whose registered address is Unit 1 Finch Way, Hemdale Business Park, Nuneaton, Warwickshire, CV11 6GL. Sigma Components Holdings Limited's share capital is primarily held by management within the Group and Silverfleet Capital Partners LLP.

The largest and smallest group of undertaking for which consolidated financial statements are drawn up is that headed by Sigma Components Holdings Limited. Copies of the group financial statements can be obtained from Unit 1 Finch Way, Hemdale Business Park, Nuneaton, Warwickshire, CV11 6GL.