

IESA HOLDINGS LIMITED
ANNUAL REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 MARCH 2023

Strategic Report

The Directors present their strategic report for the year ended 31 March 2023.

Principal activity and future developments

IESA Holdings Limited (the Company) is and will continue to be a holding company.

Business review

The Company made a loss of £3,000 (2022: £25,000). The Company has net assets of £4,384,000 (2022: £4,387,000).

The Directors do not use any specific key performance indicators to assess the performance of the Company due to its nature as a holding company.

Section 172(1) statement

Under section 172(1) of the Companies Act 2006, the Directors are required to act in a way that they consider, in all good faith, would most likely promote the success of the Company. This success must be for the benefit of the Company's shareholder and also for all other stakeholders.

The Directors have considered all the Company's stakeholders and the long-term consequences of the decisions taken when assessing the level of dividends to pay and the level of any impairments or reversal of impairments of the Company's investments, including any impact on the Company's reputation.

Principal risks and uncertainties

The main risk faced by the Company is that the investments it holds become impaired. All investments are closely monitored. Regular impairment reviews are carried out upon the Company's investments.

On behalf of the Board:



V E Gough
Director
20 December 2023

Directors' Report

The Directors present their report and the audited accounts for the year ended 31 March 2023.

Directors

The Directors who were in office during the year were as follows:

D J Egan (resigned 3 May 2023)

V E Gough

A B Perry

Directors' and Officers' liability insurance

In accordance with the Company's Articles of Association, the ultimate parent company (Note 13) entered into a new deed in 2023 to indemnify the Directors (from time to time) of the Company to the extent permitted by law. A copy of this indemnity (which remains in force as of the date on which this report was approved) is available at the registered office of the Company. The ultimate parent company purchased and maintained Directors' and Officers' liability insurance throughout 2022, which was renewed for 2023, for each of its Directors and each of the Directors of its subsidiary companies. It remains in force at the date of approval of this Directors' Report. Neither the indemnity nor insurance provides cover in the event that a Director or Officer is proved to have acted fraudulently.

Dividends

No dividends were paid during the year (2022: £4,000,000 in respect of the year ended 31 March 2020). The Directors do not propose a final dividend for the year ended 31 March 2023 (2022: £nil).

Employee engagement

The Company has no employees (2022: nil).

Other information to report

The following information is set out on the pages below:

- Financial results – page 1
- Financial instruments and financial risk management – pages 8 and 10
- Likely future developments – page 1

Disclosure of information to auditors

The Directors who held office at the date of approval of this Directors' Report each confirm that, so far as they are aware, there is no relevant audit information of which the auditors are unaware and that each Director has taken all the steps that they ought to have taken as Directors to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Statement of Directors' responsibilities in respect of the accounts

The Directors are responsible for preparing the Annual Report and Accounts in accordance with applicable law and regulation.

Company law requires the Directors to prepare accounts for each financial year. Under that law the Directors have prepared the accounts 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 accounts 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 accounts, 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 accounts;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the accounts 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 accounts comply with the Companies Act 2006.

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.

On behalf of the Board:



V E Gough

Director

20 December 2023

Independent auditors' report to the members of IESA Holdings Limited

Report on the audit of the accounts

Opinion

In our opinion, IESA Holdings Limited's accounts:

- give a true and fair view of the state of the Company's affairs as at 31 March 2023 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, including 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 accounts, included within the Annual Report and Accounts (the "Annual Report"), which comprise: the Balance Sheet as at 31 March 2023; the Statement of Income and Retained Earnings for the year then ended; and the notes to the accounts, 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 accounts 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 accounts 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

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 accounts are authorised for issue.

In auditing the accounts, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the accounts is appropriate.

However, because not all future events or conditions can be predicted, this conclusion is not a guarantee as to the Company's ability to continue as a going concern.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

Reporting on other information

The other information comprises all of the information in the Annual Report other than the accounts and our auditors' report thereon. The Directors are responsible for the other information. Our opinion on the accounts 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.

In connection with our audit of the accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accounts 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 accounts 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 our work undertaken in the course of the audit, the Companies Act 2006 requires 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 March 2023 is consistent with the accounts 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.

Independent auditors' report to the members of IESA Holdings Limited (continued)

Responsibilities for the accounts and the audit

Responsibilities of the Directors for the accounts

As explained more fully in the statement of Directors' responsibilities in respect of the accounts, the Directors are responsible for the preparation of the accounts 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 accounts that are free from material misstatement, whether due to fraud or error.

In preparing the accounts, 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 accounts

Our objectives are to obtain reasonable assurance about whether the accounts 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 accounts.

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.

Based on our understanding of the Company and industry, we identified that the principal risks of non-compliance with laws and regulations related to UK tax legislation and the Companies Act 2006, and we considered the extent to which non-compliance might have a material effect on the accounts. We evaluated management's incentives and opportunities for fraudulent manipulation of the accounts (including the risk of override of controls), and determined that the principal risks were related to posting manual journal entries to manipulate financial performance. Audit procedures performed by the engagement team included:

- inquiry of those charged with governance to assess if there any are instances of non-compliance with laws or regulations that have a material effect on the accounts;
- reviewing board meeting minutes held between the Directors to assess if there have been any instances of non-compliance with relevant laws or regulations;
- reviewing financial statement disclosures and testing to supporting documentation, where appropriate, to assess compliance with applicable laws and regulations;
- testing all material transactions in the year, given the simple nature of the entity, such that any manual journals posted to manipulate financial performance would be identified; and
- reviewing legal expense listings to identify indications of potential non-compliance with laws and regulations.

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

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

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.

Independent auditors' report to the members of IESA Holdings Limited (continued)

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 obtained 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 accounts are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Claire Turner

Claire Turner (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Manchester
20 December 2023

IESA HOLDINGS LIMITED

**Statement of Income and Retained Earnings
for the year ended 31 March 2023**

	Note	2023 £000	2022 £000
Administrative expenses		-	(25)
Foreign exchange losses		(3)	-
Loss before taxation		(3)	(25)
Tax on loss	6	-	-
Loss and total comprehensive expense for the year		(3)	(25)
Profit and loss account at the beginning of the year		17	42
Profit and loss account at the end of the year		14	17

The notes on pages 8 to 10 are an integral part of these accounts.

IESA HOLDINGS LIMITED

**Balance Sheet
as at 31 March 2023**

	Note	2023 £000	2022 £000
Fixed assets			
Investments	8	<u>4,289</u>	4,289
Current assets			
Debtors: amounts falling due within one year	9	95	-
Cash at bank and in hand		<u>-</u>	115
Total current assets		95	115
Creditors: amounts falling due within one year	10	<u>-</u>	(17)
Net current assets		95	98
Total assets less current liabilities		<u>4,384</u>	4,387
Net assets		<u>4,384</u>	4,387
Capital and reserves			
Share capital	11	1	1
Share premium account		4,369	4,369
Profit and loss account		<u>14</u>	17
Total equity		<u>4,384</u>	4,387

The notes on pages 8 to 10 are an integral part of these accounts.

These accounts on pages 6 to 10 were approved by the Board of Directors on 20 December 2023 and signed on its behalf by:



V E Gough

Director

Company number: 06337851

Notes to the accounts

1. General information

The Company is a wholly-owned subsidiary of RS Group plc. The Company is a private company limited by shares and is incorporated, registered and domiciled in England and Wales. The address of its registered office is IESA Works Daten Park, Birchwood, Warrington, Cheshire WA3 6UT, UK.

2. Statement of compliance

The Company is included in the ultimate parent company's consolidated accounts which are publicly available (Note 13) and is therefore exempt, by virtue of section 400 of the Companies Act 2006, from the requirement to prepare consolidated accounts.

These separate accounts of the Company have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (FRS 102), and the Companies Act 2006. They are presented in sterling and rounded to the nearest £1,000.

3. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these accounts are set out below and have been consistently applied unless otherwise stated.

(a) Basis of preparation

These accounts are prepared on a going concern basis, under the historical cost convention.

The preparation of accounts under FRS 102 requires the Company to make judgements and estimates that affect the application of accounting policies and reported amounts of assets and liabilities, income and expenses. There are no areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant that are included in these accounts.

Significant estimates are those that have a significant risk of resulting in a material adjustment to the carrying amounts of the Company's assets and liabilities in the next year. There are no significant estimates. While not a significant estimate, the Company also focuses on estimates made in relation to assumptions made in the review of investments for impairment (Note 3(c)). The Company does not expect any reasonably likely changes in assumptions to have a material impact on the carrying value of investments.

Exemptions for qualifying entities under FRS 102

The Company has taken advantage of the following disclosure exemptions available under FRS 102:

- preparation of a cash flow statement
- financial instrument disclosures
- key management personnel compensation disclosure

(b) Taxation

Current tax is the amount of income tax payable in respect of the taxable profit for the year, using tax rates that have been enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of prior years.

(c) Investments

Investments in subsidiaries are held at cost less any accumulated impairment losses.

At each balance sheet date the investments are assessed for any indication of impairment. If there is such an indication, the recoverable amount of the investment is compared to its carrying amount. The recoverable amount is the higher of the fair value less costs to sell and the value in use. Value in use is the present value of the future cash flows before interest and tax obtainable as a result of the continued trading of the relevant subsidiary. The cash flows are discounted at the RS Group's pre-tax weighted average cost of capital adjusted for the estimated tax cash flows and risk applicable for the investment.

If the recoverable amount is estimated to be lower than the carrying amount, the carrying amount is reduced to its recoverable amount and an impairment loss is recognised in profit or loss. If an impairment loss is subsequently reversed, the carrying amount of the investment is increased to the revised estimate of its recoverable amount to the extent that it does not exceed the carrying amount that would have been determined excluding any previous impairment losses. This reversal is recognised in profit or loss.

(d) Basic financial instruments

Basic financial assets, including debtors and cash at bank and in hand, are initially recognised at transaction price and then subsequently at amortised cost less any provision for impairment.

Creditors are initially recognised at transaction price and then subsequently at amortised cost.

Notes to the accounts (continued)

3. Summary of significant accounting policies (continued)

(e) Distributions

Dividends and other distributions are recognised as a liability in the balance sheet in the period in which the dividends and other distributions are approved by the Company's shareholders. These amounts are recognised in the Statement of Income and Retained earnings outside total comprehensive income or expense.

4. Auditors' remuneration

The fees payable to the Company's auditors for the audit of the accounts were £6,000 (2022: £6,000) and were borne by RS Integrated Supply UK Limited, a subsidiary, and not recharged to the Company.

5. Employees and Directors

The Company did not employ any staff during the year (2022: none). The Directors received no (2022: £nil) emoluments for their qualifying services to the Company. They predominantly perform services for and are remunerated by other RS Group companies. 3 Directors (2022: 3) became entitled to receive shares under the ultimate parent company's Long Term Incentive Plan and 1 Director (2022: 1) exercised share options in the ultimate parent company.

6. Tax on loss

The tax on loss for the year can be reconciled to the Statement of Income and Retained Earnings as follows:

	2023	2022
	£000	£000
Loss before taxation	(3)	(25)
Expected tax credit at 19% (2022: 19%)	(1)	(5)
Effects of:		
Group relief	1	-
Non-deductible expenses	-	5
	-	-

Factors that may affect future tax

In May 2021, the UK government enacted a change in the UK corporation tax rate from 19% to 25% effective from 1 April 2023. This is not expected to have a material impact.

In December 2021, the Organisation for Economic Co-operation and Development (OECD) issued model rules for a new global minimum tax framework (Pillar Two) and in the UK, the government released draft legislation on Pillar Two in July 2022 and updated it in March 2023. The Company is in the process of assessing the full impact of this, however, it is not expected to have a material impact.

7. Dividends

No dividends were paid during the year (2022: £4,000,000 in respect of the year ended 31 March 2020). The Directors do not recommend a payment of a final ordinary dividend for the year (2022: £nil).

8. Investments

	£000
Cost and net book value	
At 1 April 2022 and 31 March 2023	4,289

The Company owns the following subsidiaries. All operate within their country of incorporation, are directly owned and their primary activity is MRO store outsourcing and supply.

Name and registered address of undertaking	Country of incorporation	% owned	Class of share held
RS Integrated Supply Belgium Louizalaan 65/11, 1050 Elsene	Belgium	100%	Ordinary
RS Integrated Supply France Rue Norman King BF 453, F-60031 Beauvais Cedex, France	France	100%	Ordinary
RS Integrated Supply Deutschland GmbH Bleibtreustr. 21, 10623, Berlin, Germany	Germany	100%	Ordinary
RS Integrated Supply Hungary Korlátolt Felelősségű Társaság 1062, 1-3. Tower A, 6th floor, Budapest	Hungary	100%	Ordinary
RS Integrated Supply Italy S.r.l. Sesto san Giovanni, Viale Thomas Alva Edison, 110, 20099, MI, Italy	Italy	100%	Ordinary
RS Integrated Supply Netherlands B.V. Bingerweg 19, 2031 AZ Haarlem, Netherlands	Netherlands	100%	Ordinary

Notes to the accounts (continued)

8. Investments (continued)

Name and registered address of undertaking	Country of incorporation	% owned	Class of share held
RS Integrated Supply Poland Sp. z.o.o. Ul. Domaniewska 48, 02-672, Warszawa, Poland	Poland	100%	Ordinary
RS Integrated Supply Ireland Limited Glenview Industrial Estate, Herberton Road, Rialto, Dublin 12, Ireland	Republic of Ireland	100%	Ordinary
RS Integrated Supply Slovakia s.r.o. Lazaretská 8, Bratislava- mestská časť Staré Mesto, 811 09, Slovakia	Slovakia	100%	Ordinary
RS Integrated Supply Sweden AB Drottninggatan 96, 113 60, Stockholm, Sweden	Sweden	100%	Ordinary
RS Integrated Supply UK Limited IESA Works Daten Park, Birchwood, Warrington, Cheshire, WA3 6UT, UK	UK	100%	Ordinary

9. Debtors: amounts falling due within one year

	2023 £000	2022 £000
Amounts owed by the ultimate parent company	95	-
	<u>95</u>	<u>-</u>

Amounts owed by the ultimate parent company bear interest based on the Bank of England base rate less a margin of 0.2% and are unsecured and repayable on demand.

10. Creditors: amounts falling due within one year

	2023 £000	2022 £000
Amounts owed to the ultimate parent company	-	17
	<u>-</u>	<u>17</u>

Amounts owed to the ultimate parent company bore interest based on the Bank of England base rate plus a margin of 0.8% and were unsecured and repayable on demand.

11. Share capital

	Number	£000
Issued and fully paid ordinary shares of £1.00 each: At 1 April 2022 and 31 March 2023	<u>1,231</u>	<u>1</u>

12. Related party transactions

There were no related party transactions during the year other than between the Company and other wholly-owned RS Group companies.

13. Controlling parties

The immediate parent company is RS Group International Holdings Limited (formerly Electrocomponents U.K. Limited).

The ultimate parent company and the smallest and largest group to consolidate these accounts is RS Group plc. Copies of the RS Group plc Annual Report and Accounts are available to the public and may be obtained from Fifth Floor, Two Pancras Square, London N1C 4AG, UK.