

# Techtools (Morden) Limited

Annual Report and Financial Statements

For the year ended 31 August 2016



# Techtools (Morden) Limited

## Company Information

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<b>Directors</b>	S H Abbasbhai Hatimi A Abbasbhai Hatimi A S Abbasbhai Hatimi
<b>Secretary</b>	A S Abbasbhai Hatimi
<b>Company number</b>	01647094
<b>Registered office</b>	Unit 3 Kimpton Link Business Centre 40 Kimpton Road Sutton Surrey SM3 9QP
<b>Auditors</b>	Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
<b>Bankers</b>	Barclays Bank Plc London Central Regional Office 50 Pall Mall London SW1Y 5AX

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# Techtools (Morden) Limited

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# Techtools (Morden) Limited

## Strategic Report

For the year ended 31 August 2016

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The directors present the strategic report and financial statements for the year ended 31 August 2016.

### **Fair review of the business and future developments**

The principal activity of the company throughout the period remained that of export/ import merchants.

During the year the company continued to perform reasonably well. Turnover increased to £9,167,020 from £8,882,674; an increase of 3% mainly from existing customers.

There was a reduction in net profit before taxation to £628,619 (2015: £1,101,085), due to a one-off bad debt provision of £589,227. Excluding this, profits would have risen in line with turnover to £1,217,846.

The Board expects that turnover will increase further in the next reporting period and profits will also improve.

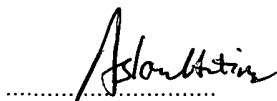
### **Principal risks and uncertainties**

The Company takes measures to minimise its exposure to risk. The company's main risk arises from the fact that a significant proportion of its sales are with companies in the Middle East. This trade is reliant on the political stability of this area of the world, which can be uncertain, as seen by the uprising in recent years. As the company trades internationally it is also susceptible to foreign exchange risk. It mitigates this by undertaking most of its trading in US Dollars, which it considers to be one of the most stable currencies.

### **Key performance indicators (KPIs)**

The directors consider turnover and profit of the business as the most important KPIs and they look to increase both in the coming years. The directors also monitor on a monthly basis, the number of orders being made, the gross profit and the level of cash held.

On behalf of the board



A S Abbasbhai Hatimi

Director

22 MAY 2017

# Techtools (Morden) Limited

## Directors' Report

For the year ended 31 August 2016

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The directors present their annual report and financial statements for the year ended 31 August 2016.

In accordance with s414C(11) of the Companies Act 2006, the information relating to principal activities and future developments and financial risk management are included in the Strategic Report.

### Directors

The directors who served the company during the year together with their interests (including family interests) in the shares of the company at the beginning and end of the year, were as follows:

S H Abbasbhai Hatimi  
A Abbasbhai Hatimi  
A S Abbasbhai Hatimi

### Results and dividends

The results for the year are set out on page 6.

Ordinary interim dividends were paid amounting to £300,000. The directors do not recommend payment of a final dividend.

### Auditors

The auditors, Kingston Smith LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### Statement of directors' responsibilities

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# Techtools (Morden) Limited

## Directors' Report (Continued)

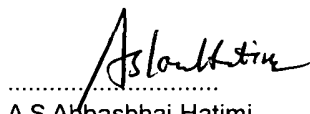
For the year ended 31 August 2016

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### Statement of disclosure to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditors are aware of that information.

On behalf of the board



A S Abbasbhai Hatimi

Director

22 MAY 2017

# Techtools (Morden) Limited

## Independent Auditors' Report

### To the Members of Techtools (Morden) Limited

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We have audited the financial statements of Techtools (Morden) Limited for the year ended 31 August 2016 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102.

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **Respective responsibilities of directors and auditors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

#### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

#### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2016 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Opinion on other matters prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Techtools (Morden) Limited

## Independent Auditors' Report (Continued)

To the Members of Techtools (Morden) Limited

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### **Matters on which we are required to report by exception**

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.



Janice Riches (Senior Statutory Auditor)  
for and on behalf of Kingston Smith LLP

Chartered Accountants  
Statutory Auditor

31 May 2017

Devonshire House  
60 Goswell Road  
London  
EC1M 7AD



# Techtools (Morden) Limited

## Statement of Income and Retained Earnings

For the year ended 31 August 2016

	Notes	2016 £	2015 £
Turnover	3	9,167,020	8,882,674
Cost of sales		(7,222,142)	(7,280,168)
<b>Gross profit</b>		<b>1,944,878</b>	<b>1,602,506</b>
Administrative expenses		(1,322,644)	(501,978)
<b>Operating profit</b>	4	<b>622,234</b>	<b>1,100,528</b>
Interest receivable and similar income	7	284	908
Interest payable and similar charges	8	-	(351)
Fair value gains on investments	9	6,101	-
<b>Profit before taxation</b>		<b>628,619</b>	<b>1,101,085</b>
Taxation	10	(126,268)	(229,622)
<b>Profit for the financial year and total comprehensive income for the year</b>		<b>502,351</b>	<b>871,463</b>
Retained earnings at start of the year		2,557,268	1,985,805
Dividends		(300,000)	(300,000)
Retained earnings at end of the year		<u>2,759,619</u>	<u>2,557,268</u>

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

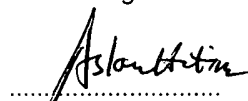
# Techtools (Morden) Limited

## Balance Sheet

As at 31 August 2016

	Notes	2016 £	£	2015 £	£
<b>Fixed assets</b>					
Tangible assets	12	268,986		268,773	
Investments	13	66,101		-	
		<u>335,087</u>		<u>268,773</u>	
<b>Current assets</b>					
Debtors	15	3,111,527		2,697,556	
Cash at bank and in hand		<u>1,393,612</u>		<u>1,266,106</u>	
		4,505,139		3,963,662	
<b>Creditors: amounts falling due within one year</b>	16	<u>(2,070,607)</u>		<u>(1,665,167)</u>	
Net current assets		<u>2,434,532</u>		<u>2,298,495</u>	
<b>Net assets</b>		<u><u>2,769,619</u></u>		<u><u>2,567,268</u></u>	
<b>Capital and reserves</b>					
Called up share capital	18	10,000		10,000	
Profit and loss reserves		<u>2,759,619</u>		<u>2,557,268</u>	
<b>Total equity</b>		<u><u>2,769,619</u></u>		<u><u>2,567,268</u></u>	

The financial statements were approved by the board of directors and authorised for issue on 22 May 2017 and are signed on its behalf by:

  
 ..... 22 MAY 2017  
 A S Abbasbhai Hatimi  
 Director

Company Registration No. 01647094

# Techtools (Morden) Limited

## Statement of Cash Flows

For the year ended 31 August 2016

	Notes	2016 £	£	2015 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	21	354,552		1,032,771	
Interest paid		-		(351)	
Income taxes paid		(229,622)		(156,142)	
<b>Net cash inflow from operating activities</b>		<b>124,930</b>		<b>876,278</b>	
<b>Investing activities</b>					
Purchase of tangible fixed assets		(4,018)		-	
Purchase of investments		(60,000)		-	
Interest received		284		908	
<b>Net cash (used in)/generated from investing activities</b>		<b>(63,734)</b>		<b>908</b>	
<b>Financing activities</b>					
Movement in borrowings		194,063		(18,790)	
Repayment of bank loans		-		(169,567)	
Dividends paid		(300,000)		(300,000)	
<b>Net cash used in financing activities</b>		<b>(105,937)</b>		<b>(488,357)</b>	
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(44,741)</b>		<b>388,829</b>	
Cash and cash equivalents at beginning of year		1,251,096		814,087	
Exchange gains on cash and cash equivalents		187,257		48,180	
<b>Cash and cash equivalents at end of year</b>		<b>1,393,612</b>		<b>1,251,096</b>	
<b>Cash and cash equivalents consist of:</b>					
Cash at bank and in hand		1,393,612		1,266,106	
Bank overdrafts included in creditors payable within one year		-		(15,010)	
		<b>1,393,612</b>		<b>1,251,096</b>	

# Techtools (Morden) Limited

## Notes to the Financial Statements

For the year ended 31 August 2016

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### 1 Accounting policies

#### Company information

Techtools (Morden) Limited is a company limited by shares domiciled and incorporated in England and Wales. The registered office is Unit 3 Kimpton Link Business Centre, 40 Kimpton Road, Sutton, Surrey, SM3 9QP.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

The financial statements have been prepared on the historical cost convention modified to include the revaluation of investments at fair value. The principal accounting policies adopted are set out below.

These financial statements for the year ended 31 August 2016 are the first financial statements of Techtools (Morden) Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition to FRS 102 was 1 September 2014. The reported financial position and financial performance for the previous period are not affected by the transition to FRS 102.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Turnover

Turnover represents amounts receivable for goods net of VAT.

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

#### 1.4 Tangible fixed assets

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

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Leasehold Properties	Over the term of the lease
Fixtures, fittings & equipment	Straight line over 4 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# Techtools (Morden) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2016

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### 1 Accounting policies

(Continued)

#### 1.5 Fixed asset investments

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

#### 1.6 Impairment of fixed assets

At each reporting end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Recoverable amount is the higher of fair value less costs to sell and value in use.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

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

#### 1.7 Cash and cash equivalents

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

#### 1.8 Financial instruments

Basic financial instruments are measured at cost. The company has no other financial instruments or basic financial instruments measured at fair value.

#### 1.9 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

#### 1.10 Taxation

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

##### **Current tax**

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

# Techtools (Morden) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2016

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### 1 Accounting policies

(Continued)

#### ***Deferred tax***

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the profit and loss account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### **1.11 Employee benefits**

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

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

#### **1.12 Retirement benefits**

The company makes contributions to privately held pension schemes, the assets of which are held separately from the assets of the company. The pension cost charge represents contributions paid to these schemes.

# Techtools (Morden) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2016

### 2 Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### Bad debt provision

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the ageing profile of the debtors and historical experience. See note 15 for the carrying amount of the debtors and associated impairment provision.

### 3 Turnover and other revenue

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

	2016 £	2015 £
<b>Turnover</b>		
Import/ export activity	9,167,020	8,882,674
	<u>          </u>	<u>          </u>
<b>Other significant revenue</b>		
Interest income	284	908
	<u>          </u>	<u>          </u>
<b>Turnover analysed by geographical market</b>		
	2016 £	2015 £
Egypt	5,316,872	5,329,604
Algeria	3,666,808	3,375,416
Rest of the world	183,340	177,654
	<u>          </u>	<u>          </u>
	9,167,020	8,882,674
	<u>          </u>	<u>          </u>

# Techtools (Morden) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2016

### 4 Operating profit

	2016	2015
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange (gains)/losses - included in cost of sales	(274,359)	134,638
Fees payable to the company's auditors for the audit of the company's financial statements	11,000	9,500
Depreciation of owned tangible fixed assets	3,805	6,250
Exceptional item - bad debt provision (see note 2)	589,227	-
	<u>          </u>	<u>          </u>

### 5 Employees

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

2016	2015
Number	Number
8	8
<u>          </u>	<u>          </u>

Their aggregate remuneration comprised:

	2016	2015
	£	£
Wages and salaries	479,751	246,443
Social security costs	53,489	22,839
Pension costs	74,951	75,000
	<u>          </u>	<u>          </u>
	608,191	344,282
	<u>          </u>	<u>          </u>



# Techtools (Morden) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2016

### 6 Directors' remuneration

	2016 £	2015 £
Remuneration for qualifying services	241,212	31,145
Company pension contributions to defined contribution schemes	66,750	67,500
	<u>307,962</u>	<u>98,645</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2015 - 2).

Remuneration disclosed above include the following amounts paid to the highest paid director:

Remuneration for qualifying services	120,273	15,273
Company pension contributions to privately held pension schemes	34,500	33,750
	<u>154,773</u>	<u>49,023</u>

### 7 Interest receivable and similar income

	2016 £	2015 £
<b>Interest income</b>		
Interest on bank deposits	284	908
	<u>284</u>	<u>908</u>

### 8 Interest payable and similar charges

	2016 £	2015 £
<b>Interest on financial liabilities measured at amortised cost:</b>		
Interest on bank overdrafts and loans	-	351
	<u>-</u>	<u>351</u>

### 9 Change in fair value of investments

	2016 £	2015 £
Change in value of financial assets held at fair value through profit or loss	6,101	-
	<u>6,101</u>	<u>-</u>

### 10 Taxation

	2016 £	2015 £
<b>Current tax</b>		
UK corporation tax on profits for the current period	126,268	229,622
	<u>126,268</u>	<u>229,622</u>

# Techtools (Morden) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2016

### 10 Taxation

(Continued)

The charge for the year can be reconciled to the profit per the profit and loss account as follows:

	2016 £	2015 £
Profit before taxation	628,619	1,101,085
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 20.00% (2015: 20.53%)</i>	125,724	226,067
Tax effect of expenses that are not deductible in determining taxable profit	1,807	3,555
Fair value gains not taxable	(1,221)	-
Change in unrecognised deferred tax	(42)	-
Tax charge for the year	126,268	229,622

### 11 Dividends

	2016 £	2015 £
Ordinary interim paid	300,000	300,000
	300,000	300,000

### 12 Tangible fixed assets

	Leasehold Properties £	Fixtures, fittings & equipment £	Total £
<b>Cost</b>			
At 1 September 2015	312,524	-	312,524
Additions	-	4,018	4,018
At 31 August 2016	312,524	4,018	316,542
<b>Depreciation and impairment</b>			
At 1 September 2015	43,751	-	43,751
Depreciation charged in the year	2,800	1,005	3,805
At 31 August 2016	46,551	1,005	47,556
<b>Carrying amount</b>			
At 31 August 2016	265,973	3,013	268,986
At 31 August 2015	268,773	-	268,773

# Techtools (Morden) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2016

### 13 Fixed asset investments

	2016 £	2015 £
Listed investments	66,101	-
Listed investments carrying amount	66,101	-

#### Fixed asset investments revalued

During the year the company acquired shares in listed quoted companies. The historical cost of these is £60,000 and they are valued in the financial statements at the share price at the balance sheet date.

The company also owns 100% Konki LLC, a Limited Liability Company incorporated in Delaware, USA. The LLC does not have any share capital thus no amounts are included in investments for this. The LLC has been dormant since its incorporation on 7 May 2015.

#### Movements in fixed asset investments

	Investments other than loans £
<b>Cost or valuation</b>	
At 1 September 2015	-
Additions	60,000
Valuation changes	6,101
At 31 August 2016	66,101
<b>Carrying amount</b>	
At 31 August 2016	66,101
At 31 August 2015	-

### 14 Financial instruments

	2016 £	2015 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	2,673,864	2,372,739
Equity instruments measured at fair value through profit or loss	66,101	-
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	1,860,840	1,410,408

# Techtools (Morden) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2016

### 15 Debtors

	2016 £	2015 £
<b>Amounts falling due within one year:</b>		
Trade debtors	2,618,030	2,266,783
Other debtors	225,489	252,127
Prepayments and accrued income	268,008	178,646
	<u>3,111,527</u>	<u>2,697,556</u>

Trade debtors disclosed above are measured at amortised costs. Trade debtors are stated after provision for impairment of £589,227 (2015 £nil).

### 16 Creditors: amounts falling due within one year

	2016 £	2015 £
Loans and overdrafts	-	15,010
Trade creditors	890,814	938,897
Corporation tax	126,268	229,622
Other taxation and social security	83,499	25,137
Other creditors	788,827	427,644
Accruals and deferred income	181,199	28,857
	<u>2,070,607</u>	<u>1,665,167</u>

The other creditors above includes £584,578 (2015: £390,515) which are due to related parties. Details are shown in note 19 - Related party transactions.

### 17 Retirement benefit schemes

#### Defined contribution schemes

The company operates a defined contribution stakeholder pension scheme for all qualifying employees. The company also makes contributions to privately held pension schemes. The assets of these schemes are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions paid to these schemes.

The charge to profit and loss in respect of defined contribution and privately held pension schemes was £74,951 (2015 - £75,000).

### 18 Share capital

	2016 £	2015 £
<b>Issued and fully paid</b>		
10,000 Ordinary shares of £1 each	<u>10,000</u>	<u>10,000</u>

# Techtools (Morden) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2016

### 19 Related party transactions

#### Remuneration of key management personnel

The remuneration of key management personnel, who are also directors, is as follows.

	2016 £	2015 £
Aggregate compensation	308,712	97,958

#### Transactions with related parties

During the year there were related party transactions with Konki, an unincorporated business owned by Adnan Hatimi, a shareholder of the company. During the year ended 31 August 2016 the company purchased goods amounting to £1,368,527 (2015: £1,291,895) from Konki. Other creditors included £154,889 (2015: £nil) for outstanding purchases and other debtors included £nil (2015: £79,289) for amounts advanced to Konki to pay for future purchases. Konki did not charge a mark up on these transactions.

At certain points in the year A S Abbasbhai Hatimi, A Abbasbhai Hatimi and S H Abbasbhai Hatimi's loan accounts were overdrawn, although they were in credit at the year end. The maximum overdrawn balances in the year were £118,999 for A S Abbasbhai Hatimi, £136,816 for A Abbasbhai Hatimi and £41,300 for S H Abbasbhai Hatimi.

As at 31 August 2016 the company also owed Mrs M S Hatimi, a shareholder and wife of S H Abbasbhai Hatimi £450,253.

# Techtools (Morden) Limited

## Notes to the Financial Statements (Continued)

For the year ended 31 August 2016

### 20 Directors' transactions

Dividends totalling £210,000 (2015 - £210,000) were paid in the year in respect of shares held by the company's directors.

A dividend of £60,000 (2015: £60,000) was also paid in the year to Mrs M.S. Hatimi, S.H. Hatimi's wife.

Other creditors includes amounts due to Directors as below:

Description	Opening Balance £	Amounts Advanced £	Amounts Repaid £	Closing Balance £
S H Abbasbhai Hatimi - loan	-	60,000	44,300	15,700
A S Abbasbhai Hatimi - loan	-	195,000	134,999	60,001
A Abbasbhai Hatimi - loan	262	203,440	145,078	58,624
	<u>262</u>	<u>458,440</u>	<u>324,377</u>	<u>134,325</u>

### 21 Cash generated from operations

	2016 £	2015 £
Profit for the year after tax	502,351	871,463
<b>Adjustments for:</b>		
Taxation charged	126,268	229,622
Finance costs	-	351
Investment income	(284)	(908)
Fair value gains on investments	(6,101)	-
Operating profit	<u>(622,234)</u>	<u>(1,100,528)</u>
Depreciation and impairment of tangible fixed assets	3,805	6,250
Foreign exchange gains on cash and cash equivalents	(187,257)	(48,180)
<b>Movements in working capital:</b>		
(Increase) in debtors	(390,487)	(242,435)
Increase in creditors	306,257	216,608
<b>Cash generated from operations</b>	<u><u>354,552</u></u>	<u><u>1,032,771</u></u>