

Techtools (Morden) Limited

Annual Report and Financial Statements

For the year ended 31 August 2023

Company Registration No. 01647094 (England and Wales)

Techtools (Morden) Limited

Company Information

Directors	A Abbasbhai Hatimi A S Abbasbhai Hatimi
Secretary	A Abbasbhai Hatimi
Company number	01647094
Registered office	Unit 3 Kimpton Link Business Centre 40 Kimpton Road Sutton Surrey SM3 9QP
Auditor	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP
Bankers	Barclays Bank Plc London Central Regional Office 50 Pall Mall London SW1Y 5AX

Techtools (Morden) Limited

Contents

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 7
Statement of income and retained earnings	8
Balance sheet	9
Statement of cash flows	10
Notes to the financial statements	11 - 22

Techtools (Morden) Limited

Strategic Report

For the year ended 31 August 2023

The directors present the strategic report and financial statements for the year ended 31 August 2023.

Fair review of the business

The principal activity of the company throughout the year continued to be that of the provision of procurement solutions to Oil and Gas end users across North Africa. The company remains the procurement partner of choice across the region due to its strong client relationships and continues to grow principally through recommendations.

Turnover for 2023 increased by £4,548,968 (41.3%) to £15,550,997 with profit before taxation decreasing by £326,160 (23.6%) to £1,054,329. These increases were mainly caused by sales increasing with customers in Egypt and Algeria.

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. An associated risk is the recoverability of trade and other debtors which the company seeks to manage by maintaining strong customer relationships.

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.

On behalf of the board

A S Abbasbhai Hatimi
Director

8 February 2024

Techtools (Morden) Limited

Directors' Report

For the year ended 31 August 2023

The directors present their annual report and financial statements for the year ended 31 August 2023.

Principal activities

The principal activity of the company continued to be that of oil and gas procurement specialists.

Directors

The directors who served the company during the year were as follows:

A Abbasbhai Hatimi
A S Abbasbhai Hatimi

Results and dividends

The results for the year are set out on page 8.

Ordinary dividends of £672,000 were paid in the year. The directors do not recommend payment of a final dividend.

Auditor

The auditor, Moore Kingston Smith LLP, is 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 including Financial Reporting Standard 102, 'The Financial Reporting Standard Applicable in the UK and Republic of Ireland' (FRS 102). 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; 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 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.

Strategic report

In accordance with section 414C (11) of the Companies Act 2006, the information relating to a review of the business and principal risks and uncertainties is included in the Strategic Report.

Techtools (Morden) Limited

Directors' Report (Continued)

For the year ended 31 August 2023

Statement of disclosure to auditor

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 auditor is 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 auditor is aware of that information.

On behalf of the board

A S Abbashhai Hatimi

Director

8 February 2024

Techtools (Morden) Limited

Independent Auditor's Report

To the Members of Techtools (Morden) Limited

Opinion

We have audited the financial statements of Techtools (Morden) Limited (the 'company') for the year ended 31 August 2023 which comprise the Statement of Income and Retained Earnings, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 August 2023 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Techtools (Morden) Limited

Independent Auditor's Report (Continued)

To the Members of Techtools (Morden) Limited

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

We have nothing to report in respect of the following matters in relation to which 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 remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Techtools (Morden) Limited

Independent Auditor's Report (Continued)

To the Members of Techtools (Morden) Limited

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Techtools (Morden) Limited

Independent Auditor's Report (Continued)

To the Members of Techtools (Morden) Limited

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the company and considered that the most significant are the Companies Act 2006, UK financial reporting standards as issued by the Financial Reporting Council, and UK taxation legislation.
- We obtained an understanding of how the company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.
- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

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 financial statements. 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.

Use of our report

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

Jamie Seaford (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP

12 February 2024

Chartered Accountants
Statutory Auditor

6th Floor
9 Appold Street
London
EC2A 2AP

Techtools (Morden) Limited

Statement of Income and Retained Earnings

For the year ended 31 August 2023

	Notes	2023 £	2022 £
Turnover	3	15,550,997	11,002,029
Cost of sales		(12,733,348)	(8,353,741)
Gross profit		2,817,649	2,648,288
Administrative expenses		(1,786,365)	(1,206,916)
Operating profit	4	1,031,284	1,441,372
Interest receivable and similar income	8	25,888	5,472
Interest payable and similar expenses	7	(7,567)	(5,462)
Fair value gains/(losses) on investments	9	4,724	(60,893)
Profit before taxation		1,054,329	1,380,489
Taxation	10	(227,057)	(275,088)
Profit for the financial year and total comprehensive income for the year		827,272	1,105,401
Retained earnings at start of the year		6,371,920	5,842,519
Dividends	11	(672,000)	(576,000)
Retained earnings at end of the year		6,527,192	6,371,920

The Statement of Income and Retained Earnings has been prepared on the basis that all operations are continuing operations.

Techtools (Morden) Limited

Balance Sheet

As at 31 August 2023

		2023	2022
	Notes	£	£
Fixed assets			
Tangible assets	12	246,373	249,173
Investments	13	268,609	260,124
		<u>514,982</u>	<u>509,297</u>
Current assets			
Debtors	14	6,130,168	5,481,887
Cash at bank and in hand		2,071,266	2,407,494
		<u>8,201,434</u>	<u>7,889,381</u>
Creditors: amounts falling due within one year	15	<u>(2,128,394)</u>	<u>(1,902,038)</u>
Net current assets		<u>6,073,040</u>	<u>5,987,343</u>
Net assets		<u>6,588,022</u>	<u>6,496,640</u>
Creditors: amounts falling due after more than one year	16	<u>(50,830)</u>	<u>(114,720)</u>
Net assets		<u><u>6,537,192</u></u>	<u><u>6,381,920</u></u>
Capital and reserves			
Called up share capital	18	10,000	10,000
Profit and loss reserves		6,527,192	6,371,920
Total equity		<u><u>6,537,192</u></u>	<u><u>6,381,920</u></u>

The financial statements were approved by the board of directors and authorised for issue on 8 February 2024 and are signed on its behalf by:

A S Abbasbhai Hatimi
Director

Company Registration No. 01647094

Techtools (Morden) Limited

Statement of Cash Flows

For the year ended 31 August 2023

		2023	2022
	Notes	£	£
Cash flows from operating activities			
Cash generated from operations	23	659,260	993,467
Interest paid		(7,567)	(5,462)
Income taxes paid		(275,088)	(213,130)
Net cash inflow from operating activities		<u>376,605</u>	<u>774,875</u>
Investing activities			
Purchase of investments		(5,641)	(3,868)
Proceeds on disposal of investments		1,880	2,142
Interest received		20,246	1,604
Dividends received		5,642	3,868
Net cash generated from investing activities		<u>22,127</u>	<u>3,746</u>
Financing activities			
Repayment of bank loans		(62,960)	(62,040)
Dividends paid		(672,000)	(576,000)
Net cash used in financing activities		<u>(734,960)</u>	<u>(638,040)</u>
Net (decrease)/increase in cash and cash equivalents		<u>(336,228)</u>	<u>140,581</u>
Cash and cash equivalents at beginning of year		<u>2,407,494</u>	<u>2,266,913</u>
Cash and cash equivalents at end of year		<u><u>2,071,266</u></u>	<u><u>2,407,494</u></u>

Techtools (Morden) Limited

Notes to the Financial Statements

For the year ended 31 August 2023

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 £.

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.

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. The directors have considered the impact of the current economic climate on the company and because of the nature of the company's activities they do not consider that there will be any significant effect on the ability of the company to continue in business and meet its liabilities as they fall due. 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

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.

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.

Techtools (Morden) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2023

1 Accounting policies

(Continued)

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 are basic financial assets and 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.

Other financial assets

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.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Techtools (Morden) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2023

1 Accounting policies

(Continued)

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Other financial liabilities

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

1.9 Equity instruments

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

Changes in the fair value of derivatives that are designated and qualify as fair value hedges are recognised in profit or loss immediately, together with any changes in the fair value of the hedged asset or liability that are attributable to the hedged risk.

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 2023

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 2023

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 14 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:

	2023 £	2022 £
Turnover		
Import/export activity	15,550,997	11,002,029
	<u>15,550,997</u>	<u>11,002,029</u>
Other significant revenue		
Interest income	20,246	1,604
Dividends received	5,642	3,868
	<u>25,888</u>	<u>5,472</u>
Turnover analysed by geographical market		
	2023 £	2022 £
Egypt	10,108,148	6,601,217
Algeria	4,509,789	3,300,609
Rest of the world	933,060	1,100,203
	<u>15,550,997</u>	<u>11,002,029</u>

Techtools (Morden) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2023

4 Operating profit

	2023	2022
	£	£
Operating profit for the year is stated after charging:		
Fees payable to the company's auditor for the audit of the company's financial statements	23,000	15,500
Depreciation of owned tangible fixed assets	2,800	2,800

5 Employees

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

	2023	2022
	Number	Number
	19	19

Their aggregate remuneration comprised:

	2023	2022
	£	£
Wages and salaries	511,560	398,862
Social security costs	45,747	39,644
Pension costs	105,943	97,560
	663,250	536,066

6 Directors' remuneration

	2023	2022
	£	£
Remuneration for qualifying services	-	-
Company pension contributions to defined contribution schemes	95,000	90,000

7 Interest payable and similar expenses

	2023	2022
	£	£
Interest on bank overdrafts and loans	7,567	5,462

Techtools (Morden) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2023

8 Interest receivable and similar income

	2023 £	2022 £
Interest income		
Interest on bank deposits	20,246	1,604
Other income from investments		
Dividends received	5,642	3,868
Total income	<u>25,888</u>	<u>5,472</u>

9 Change in fair value of investments

	2023 £	2022 £
Change in value of financial assets held at fair value through profit or loss	<u>4,724</u>	<u>(60,893)</u>

10 Taxation

	2023 £	2022 £
Current tax		
UK corporation tax on profits for the current period	<u>227,057</u>	<u>275,088</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	2023 £	2022 £
Profit before taxation	<u>1,054,329</u>	<u>1,380,489</u>
<i>Expected tax charge based on the standard rate of corporation tax in the UK of 25.00% (2022: 19.00%)</i>	263,582	262,293
Tax effect of expenses that are not deductible in determining taxable profit	6,154	1,428
Tax effect of income not taxable in determining taxable profit	(6,472)	(735)
Fair value losses/(gains) not taxable items	(1,181)	11,570
Effect of change in corporation tax rate	(35,726)	-
Depreciation on assets not qualifying for tax allowances	700	532
Tax charge for the year	<u>227,057</u>	<u>275,088</u>

Factors that may effect future, current and total tax charges

The current standard rate of corporation tax is 25%. The corporation tax main rate increased from 19% to 25% with effect from 1 April 2023.

Techtools (Morden) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2023

11 Dividends

	2023 £	2022 £
Ordinary interim dividend	672,000	576,000
	<u>672,000</u>	<u>576,000</u>

12 Tangible fixed assets

	Leasehold Properties £
Cost	
At 1 September 2022 and 31 August 2023	312,524
Depreciation and impairment	
At 1 September 2022	63,351
Depreciation charged in the year	2,800
At 31 August 2023	<u>66,151</u>
Carrying amount	
At 31 August 2023	<u>246,373</u>
At 31 August 2022	<u>249,173</u>

13 Fixed asset investments

	2023 £	2022 £
Listed investments	251,036	246,311
Cash held for investment	17,573	13,813
	<u>268,609</u>	<u>260,124</u>

Listed investments included above:

Fixed asset investments revalued

The historical cost of the investments is £302,801 (2022: £302,801) and they are valued in the financial statements at the market value share price at the balance sheet date.

The company also owns 100% of 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.

Techtools (Morden) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2023

13 Fixed asset investments

(Continued)

Movements in fixed asset investments

Investments other than loans

£

Cost or valuation

At 1 September 2022	260,124
Additions	5,641
Valuation changes	4,724
Disposals	(1,880)

At 31 August 2023	268,609
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Carrying amount

At 31 August 2023	268,609
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At 31 August 2022	260,124
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14 Debtors

2023

2022

Amounts falling due within one year:

£

£

Trade debtors	5,466,092	4,830,678
Other debtors	272,428	394,554
Prepayments and accrued income	391,648	256,655
	<u>6,130,168</u>	<u>5,481,887</u>

Trade debtors disclosed above are measured at amortised cost. Trade debtors are stated after provision for impairment of £1,529,020 (2022: £695,202).

Techtools (Morden) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2023

15 Creditors: amounts falling due within one year

	2023 £	2022 £
Bank loans	68,962	68,032
Trade creditors	1,185,046	1,042,713
Corporation tax	227,057	275,088
Other taxation and social security	12,780	10,493
Other creditors	611,549	472,706
Accruals and deferred income	23,000	33,006
	<u>2,128,394</u>	<u>1,902,038</u>

Other creditors above includes £526,640 (2022: £407,340) which are due to directors and other related parties. Details are shown in notes 20 and 21.

16 Creditors: amounts falling due after more than one year

	2023 £	2022 £
Bank loans and overdrafts	<u>50,830</u>	<u>114,720</u>

The bank loan is secured by way of a floating and fixed charge over all the assets of the company. The loan is interest bearing at 2.25% per annum and will be repaid by 2 July 2025.

17 Retirement benefit schemes

	2023 £	2022 £
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	<u>105,943</u>	<u>97,560</u>

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.

18 Share capital

	2023 £	2022 £
Issued and fully paid		
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 2023

19 Capital commitments

Amounts contracted for but not provided in the financial statements:

	2023 £	2022 £
Acquisition of tangible fixed assets	509,500	543,500

The company entered into a contractual agreement to purchase a property under construction on 28 April 2021 in the sum of £680,000. The first instalment totalling £68,500 was in 2021. The second instalment of £68,000 was paid in the prior year. The third instalment totalling £34,000 was paid during the year. The remaining balance was paid in November 2023 upon completion of the construction.

20 Related party transactions

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 2023 the company purchased goods amounting to £814,815 (2022: £740,741) from Konki. Other creditors included £84,909 (2022: £65,366) for amounts owed to Konki. 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 (note 21). The maximum overdrawn balances in the year were £145,220 (2022: £212,107) for A S Abbasbhai Hatimi and £157,553 (2022: £232,780) for A Abbasbhai Hatimi.

As at 31 August 2023 the company also owed a shareholder and relative of a director £366,643 (2022: £335,896).

Techtools (Morden) Limited

Notes to the Financial Statements (Continued)

For the year ended 31 August 2023

21 Directors' transactions

Dividends totalling £546,000 (2022: £468,000) were paid in the year in respect of shares held by the company's directors.

Description	Opening Balance £	Amounts Repaid £	Amounts Advanced £	Closing Balance £
A Abbasbhai Hatimi	11,220	201,164	157,553	54,831
A S Abbasbhai Hatimi	26,893	207,972	145,220	89,645
	<u>38,113</u>	<u>409,136</u>	<u>302,773</u>	<u>144,476</u>

22 Controlling party

There is no ultimate controlling party.

23 Cash generated from operations

	2023 £	2022 £
Profit for the year after tax	827,272	1,105,401
Adjustments for:		
Taxation charged	227,057	275,088
Finance costs	7,567	5,462
Investment income	(25,888)	(5,472)
Depreciation and impairment of tangible fixed assets	2,800	2,800
Fair value losses/(gains) on investments	(4,724)	60,893
Movements in working capital:		
(Increase) in debtors	(648,281)	(957,781)
Increase in creditors	273,457	507,076
Cash generated from operations	<u>659,260</u>	<u>993,467</u>

24 Analysis of changes in net funds

	1 September 2022 £	Cash flows £	31 August 2023 £
Cash at bank and in hand	2,407,494	(336,228)	2,071,266
Borrowings excluding overdrafts	(182,752)	62,960	(119,792)
	<u>2,224,742</u>	<u>(273,268)</u>	<u>1,951,474</u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.