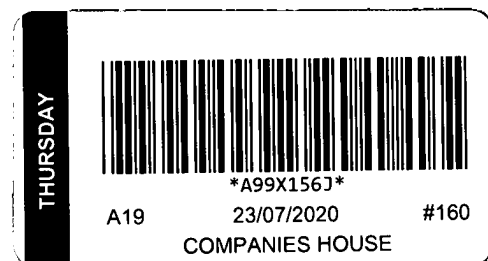


Company Registration No. 02307037 (England and Wales)

TYK LIMITED
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2020



TYK LIMITED

COMPANY INFORMATION

Directors	Mr N Ushigome Mr J Lefebvre
Secretary	Mr J Lefebvre
Company number	02307037
Registered office	25 Chilton Way Chilton Industrial Estate Chilton Ferryhill County Durham DL17 0SD
Auditor	Baldwins Audit Services Wynyard Park House Wynyard Avenue Wynyard TS22 5TB
Bankers	National Westminster Bank PLC Stockton Business Centre PO Box 398, 1st Floor 123 High Street Stockton on Tees TS18 1FX

TYK LIMITED

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TYK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present the strategic report for the year ended 31 March 2020.

Review of the business

The company continues to trade in a difficult market place. The directors are reporting a loss for the year of £673,968 (2019 - £23,137) before unrealised exchange rate differences. Turnover has decreased during the year to £5,910,205, a decrease of 19.5% on the previous year's trading due to decreased orders from within the TYK Group and external customers. The company's turnover is mainly derived from sales within the TYK Group, which accounts for 95.4% of overall turnover (2019 - 97.2%),

Management have continued to concentrate on pricing strategy, cost control and most significantly in dealing with the company's exposure to exchange rate fluctuations. The company is constantly facing price increases in the cost of raw materials which continues to squeeze margins. This has resulted in gross profit margins falling from 19.1% in 2019 to 13.7% in 2020. Therefore further improvement of our manufacturing method was required to make the most of our materials.

There is a large amount of competition in the market place and the company's strategy is to provide the best quality refractory products to differentiate between the company's product and other lower quality products in the market.

Principal risks and uncertainties

The directors believe that the main risk to the business is the relocation of the steel industry to Eastern Europe and China so reducing their European customer base. The management work tirelessly in retaining their customer base and ensuring the quality of the company's products are maintained through various quality standard accreditations.

The parent company, TYK Corporation, continues to support its operations.

Another significant risk in the current financial year is the impact of the UK's withdrawal from the EU on 31 January 2020 and developments during the transitional period that is set to end on 31 December 2020. Without knowing the precise economic trading implications of "Brexit", it is difficult to forward plan. However the company has invested heavily in raw material stocks so that manufacturing will not be impacted if there is a slow down in the timescales for obtaining materials from overseas. The company constantly monitors the potential effects of trading post "Brexit" and will mitigate any effects on trading accordingly.

The directors have also considered risks to the business associated with the current Coronavirus pandemic. Due to the evolving nature of the threat, it is difficult to predict the potential implications on trade, customers, suppliers and the wider community. However, the directors are taking actions where necessary to protect the company's cash flow. At the date of signing this report, certain orders are ongoing and cash flows are being positively managed. Those orders that have not been delivered will re-commence when it is safe to do so. The parent company will continue to support the business through the crisis.

Development and performance

The company focuses on manufacturing high quality technical and functional refractory products based on successful technology transfer from Japan. Our overall philosophy surrounds product development to assist our customers in their quest for high performance and quality.

TYK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

Key performance indicators

The management and directors review monthly management accounts and compare to budgeted targets to monitor the company's performance. The Group directors are also actively involved in performance monitoring. The Board focuses on improving asset management and controlling expenditure. This has been a successful strategy over recent years and will continue to be monitored going forward.

On behalf of the board

牛込伸隆

Mr N Ushigome

Director

25.05.2020

TYK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2020

The directors present their annual report and financial statements for the year ended 31 March 2020.

Principal activities

The principal activity of the company continued to be that of the manufacture of refractory products including lances, blocks and black nozzles for continuous castings.

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr N Ushigome

Mr J Lefebvre

Supplier payment policy

The company's current policy concerning the payment of trade creditors is to:

- settle the terms of payment with suppliers when agreeing the terms of each transaction;
- ensure that suppliers are made aware of the terms of payment by inclusion of the relevant terms in contracts; and
- pay in accordance with the company's contractual and other legal obligations.

External trade creditors of the company at the year end were equivalent to 20 days' purchases, based on the average daily amount invoiced by suppliers during the year.

Financial instruments

The company is exposed to risks that arise from its use of financial instruments. The principal financial instruments used by the company, from which financial instrument risk arises are trade receivables, cash and cash equivalents, trade payables and parent company loans.

Liquidity risk

Liquidity risk arises from the company's management of working capital. It is the risk that the company will encounter difficulty meeting its financial obligations as they fall due. The company's policy is to meet its liabilities when they fall due. The company monitors cash flow regularly and its parent company provides any necessary shortfall in funding. The support of the parent company has been agreed for the foreseeable future.

Foreign exchange risk

The company is exposed to foreign exchange risks primarily with respect to the Euro and the Japanese Yen. The majority of the company's foreign exchange transactions are at spot rate with fellow group companies. Due to the support of the group companies and the flexibility of the trading arrangement between those group companies the major part of the exchange rate risk is mitigated by the ability to delay advanced payments. The directors believe the unmanaged element of the exchange risk is not material.

Credit risk

Credit risk arises principally from the company's trade receivables. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The company has implemented policies that require appropriate credit checks on potential customers before sales commence. The company regularly monitors amounts outstanding for both time and credit limits. At the year end, the credit quality of trade receivables is considered to be satisfactory.

TYK LIMITED

DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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 International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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, International Accounting Standard 1 requires that directors:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the company's ability to continue as a going concern.

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

Statement of disclosure to auditor

Each director in office at the date of approval of this annual report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware, and
- the director has taken all the steps that he / she ought to have taken as a director in order to make himself / herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

On behalf of the board

牛以伸隆

Mr N Ushigome
Director

Date: 25.05.2020

TYK LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TYK LIMITED

Opinion

We have audited the financial statements of TYK Limited (the 'company') for the year ended 31 March 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2020 and of its loss for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; 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

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

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

However, we draw attention to note 1.2 of the financial statements which sets out the directors' detailed considerations of going concern.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

TYK LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBERS OF TYK LIMITED

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the 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.

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.

A further description of our responsibilities for the audit of the financial statements is located on the website of the Financial Reporting Council at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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.

Baldwins Audit Services

Joanne Regan FCA (Senior Statutory Auditor)
for and on behalf of Baldwins Audit Services

Statutory Auditor

17 July 2020

Wynyard Park House
Wynyard Avenue
Wynyard
TS22 5TB

TYK LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	2019 £
Revenue	4	5,910,205	7,346,232
Cost of sales		(5,100,378)	(5,940,822)
Gross profit		809,827	1,405,410
Other operating income		7,522	4,257
Distribution costs		(177,725)	(213,106)
Administrative expenses		(1,292,055)	(1,199,052)
Operating loss	5	(652,431)	(2,491)
Investment revenues	8	670	172
Finance costs	9	(22,207)	(20,818)
Loss before taxation		(673,968)	(23,137)
Income tax expense	10	-	-
Loss for the year		(673,968)	(23,137)
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Currency translation differences		(259,726)	(52,074)
Total items that will not be reclassified to profit or loss		(259,726)	(52,074)
Total other comprehensive income for the year		(259,726)	(52,074)
Total comprehensive income for the year		(933,694)	(75,211)

The income statement has been prepared on the basis that all operations are continuing operations.

TYK LIMITED

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Notes	2020 £	2019 £
Non-current assets			
Property, plant and equipment	11	1,472,976	1,351,601
Investments	12	17,786	17,786
		<u>1,490,762</u>	<u>1,369,387</u>
Current assets			
Inventories	15	1,292,093	1,651,555
Trade and other receivables	16	1,280,950	2,376,321
Cash and cash equivalents		1,009,733	880,636
		<u>3,582,776</u>	<u>4,908,512</u>
Total assets		<u>5,073,538</u>	<u>6,277,899</u>
Current liabilities			
Trade and other payables	22	623,528	1,188,114
Borrowings	18	4,469,987	4,183,618
Deferred revenue	24	3,021	3,315
		<u>5,096,536</u>	<u>5,375,047</u>
Net current liabilities		<u>(1,513,760)</u>	<u>(466,535)</u>
Non-current liabilities			
Long term provisions	23	83,919	73,191
Deferred revenue	24	30,949	33,833
		<u>114,868</u>	<u>107,024</u>
Total liabilities		<u>5,211,404</u>	<u>5,482,071</u>
Net (liabilities)/assets		<u>(137,866)</u>	<u>795,828</u>
Equity			
Called up share capital	26	5,100,000	5,100,000
Retained earnings		(5,237,866)	(4,304,172)
Total equity		<u>(137,866)</u>	<u>795,828</u>

TYK LIMITED

STATEMENT OF FINANCIAL POSITION (CONTINUED)

AS AT 31 MARCH 2020

The financial statements were approved by the board of directors and authorised for issue on 25.05.2020
and are signed on its behalf by:

牛口 仲隆

Mr N Ushigome
Director

Company Registration No. 02307037

TYK LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2020

	Share capital £	Retained earnings £	Total £
Balance at 1 April 2018	5,100,000	(4,228,961)	871,039
Year ended 31 March 2019:			
Loss for the year	-	(23,137)	(23,137)
Other comprehensive income:			
Currency translation differences	-	(52,074)	(52,074)
Total comprehensive income for the year	-	(75,211)	(75,211)
Balances at 31 March 2019	5,100,000	(4,304,172)	795,828
Year ended 31 March 2020:			
Loss for the year	-	(673,968)	(673,968)
Other comprehensive income:			
Currency translation differences	-	(259,726)	(259,726)
Total comprehensive income for the year	-	(933,694)	(933,694)
Balances at 31 March 2020	5,100,000	(5,237,866)	(137,866)

TYK LIMITED

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from/(absorbed by) operations	32		438,112		(715,222)
Interest paid			(22,207)		(20,818)
Net cash inflow/(outflow) from operating activities			415,905		(736,040)
Investing activities					
Purchase of property, plant and equipment		(314,121)		(548,642)	
Proceeds on disposal of property, plant and equipment		-		2,000	
Interest received		670		172	
Net cash used in investing activities			(313,451)		(546,470)
Financing activities					
Proceeds from borrowings		-		1,451,981	
Net cash generated from financing activities			26,643		1,451,981
Net increase in cash and cash equivalents			129,097		169,471
Cash and cash equivalents at beginning of year			880,636		711,165
Cash and cash equivalents at end of year			1,009,733		880,636

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

Company information

TYK Limited is a private company limited by shares incorporated in England and Wales. The registered office is 25 Chilton Way, Chilton Industrial Estate, Chilton, Ferryhill, County Durham, DL17 0SD. The company's principal activities and nature of its operations are disclosed in the directors' report.

1.1 Accounting convention

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted for use in the European Union and with those parts of the Companies Act 2006 applicable to companies reporting under IFRS, except as otherwise stated.

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 under the historical cost convention. 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. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements. However, they are aware of certain material uncertainties which may cause doubt on the company's ability to continue as a going concern.

During the current trading year, the company incurred a net loss of £673,968 due to a downturn in demand and turnover compounded with an increase in raw material costs. At the balance sheet date, the company's net current liabilities amount to £1,513,760 due to funding being wholly due within one year and net liabilities of £137,866.

The company meets its day to day working capital requirement through its bank facilities and support from its parent company, TYK Corporation, a business registered in Japan. As at 31 March 2019 TYK Corporation had net assets of £311 million (2018 - £269 million) and at 31 March 2020, has significant cash resources to provide any support TYK Limited may require. At the balance sheet date, the company owed its parent company £2.8 million.

The board of TYK Corporation have agreed to support TYK Limited for the foreseeable future.

In addition, the extent of the impact of Coronavirus is unclear and it is difficult to evaluate all the potential implications on the company's trade, suppliers and the wider economy. Therefore, this statement is not a guarantee as to the company's ability to continue as a going concern.

1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

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.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost, net of depreciation and any impairment losses.

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

Freehold land	not depreciated
Freehold buildings	8.8% - 20% reducing balance
Fixtures and fittings	15% - 30% reducing balance
Plant and equipment	14% - 54% reducing balance
Motor vehicles	50% reducing balance

Freehold land and assets in the course of construction are not depreciated.

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 recognised in the income statement.

1.5 Non-current investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

1.6 Impairment of tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

1.7 Inventories

Inventories and work in progress are valued at the lower of cost and net realisable value. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing inventories to their present location and condition. Cost is calculated using actual cost. Net realisable value represents the estimated selling price less all estimated costs for completion and costs to be incurred in marketing, selling and distribution. At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit and loss.

1.8 Fair value measurement

IFRS 13 establishes a single source of guidance for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The resulting calculations under IFRS 13 affected the principles that the Company uses to assess the fair value, but the assessment of fair value under IFRS 13 has not materially changed the fair values recognised or disclosed. IFRS 13 mainly impacts the disclosures of the Company. It requires specific disclosures about fair value measurements and disclosures of fair values, some of which replace existing disclosure requirements in other standards.

1.9 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.

1.10 Financial assets

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets are classified into specified categories, depending on the nature and purpose of the financial assets.

At initial recognition, financial assets classified as fair value through profit and loss are measured at fair value and any transaction costs are recognised in profit or loss. Financial assets not classified as fair value through profit and loss are initially measured at fair value plus transaction costs.

Financial assets at fair value through profit or loss

Financial assets are classified as at FVTPL when the financial asset is held for trading. This is the case if:

- the asset has been acquired principally for the purpose of selling in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not designated and effective as a hedging instrument.

Financial assets at FVTPL are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset. Interest and dividends are included in 'Investment income' and gains and losses on remeasurement included in 'other gains and losses' in the statement of comprehensive income.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Financial assets held at amortised cost

Financial assets with fixed or determinable payments and fixed maturity dates that the Company has the positive intent and ability to hold to maturity are classified as held to maturity investments.

Held to maturity investments are measured at amortised cost using the effective interest method less any impairment, with revenue recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Trade Receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Financial assets at fair value through other comprehensive income

Debt instruments are classified as financial assets measured at fair value through other comprehensive income where the financial assets are held within the company's business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt instrument measured at fair value through other comprehensive income is recognised initially at fair value plus transaction costs directly attributable to the asset. After initial recognition, each asset is measured at fair value, with changes in fair value included in other comprehensive income. Accumulated gains or losses recognised through other comprehensive income are directly transferred to profit or loss when the debt instrument is derecognised.

Financial assets classified as available for sale are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. Where an AFS financial asset is disposed of or determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income is reclassified to profit or loss.

Dividends and interest earned on AFS financial assets are included in the investment income line item in the statement of comprehensive income.

Impairment of financial assets

Financial assets, other than those measured at fair value through profit or 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 of the investment have been affected.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

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 when it transfers the financial asset and substantially all the risks and rewards of ownership to another entity.

1.11 Financial liabilities

The company recognises financial debt when the company becomes a party to the contractual provisions of the instruments. Financial liabilities are classified as either 'financial liabilities at fair value through profit or loss' or 'other financial liabilities'.

Financial liabilities at fair value through profit or loss

Financial liabilities are classified as measured at fair value through profit or loss when the financial liability is held for trading. A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of selling or repurchasing it in the near term, or
- on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit taking, or
- it is a derivative that is not a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities at fair value through profit or loss are stated at fair value with any gains or losses arising on remeasurement recognised in profit or loss.

Other financial liabilities

Other financial liabilities, including borrowings, trade payables and other short-term monetary liabilities, are initially measured at fair value net of transaction costs directly attributable to the issuance of the financial liability. They are subsequently measured at amortised cost using the effective interest method. For the purposes of each financial liability, interest expense includes initial transaction costs and any premium payable on redemption, as well as any interest or coupon payable while the liability is outstanding.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the company's obligations are discharged, cancelled, or they expire.

1.12 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.

1.13 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 income statement 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.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

Deferred tax

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary 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 income statement, 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.

1.14 Provisions

Provisions are recognised when the company has a legal or constructive present obligation as a result of a past event and it is probable that the company will be required to settle that obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting end date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1.15 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of inventories or non-current assets.

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.

1.16 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

1.17 Leases

At inception, the company assesses whether a contract is, or contains, a lease within the scope of IFRS 16. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Where a tangible asset is acquired through a lease, the company recognises a right-of-use asset and a lease liability at the lease commencement date. Right-of-use assets are included within property, plant and equipment, apart from those that meet the definition of investment property.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

1 Accounting policies

(Continued)

The company has elected not to recognise right-of-use assets and lease liabilities for short-term leases of machinery that have a lease term of 12 months or less, or for leases of low-value assets including IT equipment. The payments associated with these leases are recognised in profit or loss on a straight-line basis over the lease term.

1.18 Grants

Government grants relating to property, plant and equipment are treated as deferred revenue and released to profit and loss over the expected useful lives of the assets concerned. Government grants towards revenue expenditure are released to profit and loss as the related expenditure is incurred.

1.19 Foreign exchange

Transactions in foreign currencies are recognised at the rates of exchange prevailing on the first day of the month of the transaction. There is no conversion or retranslation of these transactions at the end of the month. At the end of each reporting period, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on that date. Non-monetary assets and liabilities carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when fair value was determined. Gains and losses arising on retranslation are included in net profit or loss for the period, except for exchange differences arising on non-monetary assets and liabilities where the changes in fair value are recognised directly in the statement of comprehensive income.

1.20 Research and development

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

2 Adoption of new and revised standards and changes in accounting policies

In the current year, the following new and revised standards and interpretations have been adopted by the company and have an effect on the current period or a prior period or may have an effect on future periods:

Impact of initial application of IFRS 16 Leases

In the current year, the company has applied IFRS 16 *Leases* that is effective for an annual period that begins on or after 1 January 2019. IFRS 16 has replaced IAS 17 *Leases* and IFRIC 4 *Determining whether an Arrangement Contains a Lease*.

IFRS 16 provides a single lease accounting model, requiring the recognition of assets and liabilities for all leases, together with options to exclude leases where the lease term is 12 months or less, or where the underlying asset is of low value. IFRS 16 substantially carries forward the lessor accounting in IAS17, with the distinction between operating leases and finance leases being retained. The Company does not have any leasing activities as a lessor.

The adoption of IFRS 16 has no impact on the company's financial statements.

Standards which are in issue but not yet effective

At the date of authorisation of these financial statements, the following Standards and Interpretations, which have not yet been applied in these financial statements, were in issue but not yet effective (and in some cases had not yet been adopted by the EU):

IAS 1 Presentation of financial statements

In January 2020, the IASB issued amendments to IAS 1 which clarify the criteria used to determine whether liabilities are classified as current or non-current. The amendments are effective for annual reporting periods beginning on or after 1 January 2022.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

3 Critical accounting estimates and judgements

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, if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Depreciation

The carrying value of property, plant and equipment is calculated on the basis of estimates of depreciation periods derived from the expected technical and useful life of the assets concerned, and residual values. The expected technical and useful life of an asset concerned and its estimated residual value may change under the influence of technological developments, market circumstances and changes in the use of the asset. These factors may also give rise to the need to recognise an impairment on assets.

4 Revenue

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

	2020 £	2019 £
Revenue analysed by geographical market		
United Kingdom	250,730	204,569
Europe	4,550,841	6,055,166
Rest of the World	1,108,634	1,086,497
	<u>5,910,205</u>	<u>7,346,232</u>
	2020 £	2019 £
Other significant revenue		
Interest income	670	172
Grants received	<u>3,178</u>	<u>3,490</u>

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

5 Operating loss

	2020 £	2019 £
Operating loss for the year is stated after charging/(crediting):		
Exchange losses	53,958	46,588
Government grants	(3,178)	(3,490)
Fees payable to the company's auditor for the audit of the company's financial statements	11,000	11,000
Depreciation of property, plant and equipment	190,791	147,615
Loss/(profit) on disposal of property, plant and equipment	1,955	(913)
Cost of inventories recognised as an expense	3,751,903	4,487,533

6 Employees

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

	2020 Number	2019 Number
Management and administration	10	11
Production	28	24
Total	38	35

Their aggregate remuneration comprised:

	2020 £	2019 £
Wages and salaries	1,059,597	1,021,759
Social security costs	77,284	79,566
Pension costs	24,625	16,743
	1,161,506	1,118,068

7 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	66,767	64,341
Company pension contributions to defined contribution schemes	1,316	806
	68,083	65,147

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

8 Investment income

	2020	2019
	£	£
Interest income		
Bank deposits	670	172

9 Finance costs

	2020	2019
	£	£
Other interest payable	22,207	20,818

10 Income tax expense

	2020	2019
	£	£
The charge for the year can be reconciled to the loss per the income statement as follows:		
	2020	2019
	£	£
Loss before taxation	(673,968)	(23,137)
Expected tax credit based on a corporation tax rate of 19.00% (2019: 19.00%)	(128,054)	(4,396)
Effect of expenses not deductible in determining taxable profit	2,410	1,549
Income not taxable	(604)	(663)
Unutilised tax losses carried forward	118,043	60,271
Permanent capital allowances in excess of depreciation	8,205	(56,761)
Taxation charge for the year	-	-

The company has estimated tax losses of over £4.6 million (2019 - £4.0 million) available for carry forward against future trading profits.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

11 Property, plant and equipment

	Freehold land	Assets under construction	Fixtures and fittings	Plant and equipment	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 April 2018	1,974,788	8,090	40,897	2,979,134	46,317	5,049,226
Additions	1,963	59,202	9,568	463,124	14,785	548,642
Disposals	-	-	-	(53,372)	(14,360)	(67,732)
At 31 March 2019	1,976,751	67,292	50,465	3,388,886	46,742	5,530,136
Additions	-	220,338	6,381	87,402	-	314,121
Disposals	-	-	(1,724)	(4,250)	-	(5,974)
Reclassify	-	(16,879)	1,254	15,625	-	-
At 31 March 2020	1,976,751	270,751	56,376	3,487,663	46,742	5,838,283
Accumulated depreciation and impairment						
At 1 April 2018	1,529,929	-	20,602	2,507,625	39,409	4,097,565
Charge for the year	20,735	-	5,129	113,391	8,360	147,615
Eliminated on disposal	-	-	-	(52,317)	(14,328)	(66,645)
At 31 March 2019	1,550,664	-	25,731	2,568,699	33,441	4,178,535
Charge for the year	18,995	-	6,800	158,346	6,650	190,791
Eliminated on disposal	-	-	(1,211)	(2,808)	-	(4,019)
At 31 March 2020	1,569,659	-	31,320	2,724,237	40,091	4,365,307
Carrying amount						
At 31 March 2020	407,092	270,751	25,056	763,426	6,651	1,472,976
At 31 March 2019	426,087	67,292	24,734	820,187	13,301	1,351,601
At 31 March 2018	444,859	8,090	20,295	471,509	6,908	951,661

12 Investments

	Current 2020 £	2019 £	Non-current 2020 £	2019 £
Investments in associates	-	-	17,786	17,786

Fair value of financial assets carried at amortised cost

The directors consider that the carrying amounts of financial assets carried at amortised cost in the financial statements approximate to their fair values.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

13 Associates

Details of the company's associates and the proportion of ordinary share capital held at 31 March 2020 are as follows:

Name of undertaking	Registered office	% Held	
		Direct	Voting
TYK Europe GmbH	Germany	20.00	20.00

The investment in TYK Europe GmbH is not accounted for as an equity investment as TYK Limited do not have any significant influence over the operating and financial policies of TYK Europe GmbH, nor do they have an representation on the board.

14 Credit risk

The carrying amount of financial assets recorded in the financial statements, which is net of impairment losses, represents the company's maximum exposure to credit risk.

The company does not hold any collateral or other credit enhancements to cover this credit risk.

15 Inventories	2020 £	2019 £
Raw materials	884,695	1,246,914
Work in progress	257,791	378,001
Finished goods	149,607	26,640
	<u>1,292,093</u>	<u>1,651,555</u>

Raw materials include goods in transit at the balance sheet date of £112,133 (2019 - £176,995).

16 Trade and other receivables

	2020 £	2019 £
Trade receivables	69,027	138,777
VAT recoverable	33,718	44,815
Amount owed by parent undertaking	178,416	175,264
Amounts owed by fellow group undertakings	937,111	1,855,440
Other receivables	2,345	109,017
Prepayments	60,333	53,008
	<u>1,280,950</u>	<u>2,376,321</u>

Trade receivables disclosed above are classified as loans and receivables and are therefore measured at amortised cost.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

17 Trade receivables - credit risk

Fair value of trade receivables

The directors consider that the carrying amount of trade and other receivables is approximately equal to their fair value.

No significant receivable balances are impaired at the reporting end date.

Credit risk arises principally from the company's trade receivables. It is the risk that the counterparty fails to discharge its obligation in respect of the instrument. The company has implemented policies that require appropriate credit checks on potential customers before sales commence. The company regularly monitors amounts outstanding for both time and credit limits. At the year end, the credit quality of trade receivables is considered to be satisfactory.

18 Borrowings

	2020 £	2019 £
Secured borrowings at amortised cost		
Bank loans	1,667,436	1,584,035
Loans from parent undertaking	2,802,551	2,599,583
	<u>4,469,987</u>	<u>3,768,192</u>

Analysis of borrowings

Borrowings are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020 £	2019 £
Current liabilities	4,469,987	3,768,192
Non-current liabilities	-	415,426
	<u>4,469,987</u>	<u>4,183,618</u>

19 Fair value of financial liabilities

The directors consider that the carrying amounts of financial liabilities carried at amortised cost in the financial statements approximate to their fair values.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

20 Liquidity risk

The following table details the remaining contractual maturity for the company's financial liabilities with agreed repayment periods. The contractual maturity is based on the earliest date on which the company may be required to pay.

	Less than 1 month £	3 months to 1 year £	1 – 5 years £	Total £
At 31 March 2019				
Bank loans	1,584,035	-	-	1,584,035
Parent loans	-	2,184,157	415,426	2,599,583
	<u>1,584,035</u>	<u>2,184,157</u>	<u>415,426</u>	<u>4,183,618</u>
At 31 March 2020				
Bank loans	1,667,436	-	-	1,667,436
Parent loans	-	2,802,551	-	2,802,551
	<u>1,667,436</u>	<u>2,802,551</u>	<u>-</u>	<u>4,469,987</u>

21 Market risk

Market risk management

Foreign exchange risk

The carrying amounts of the company's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

	Assets		Liabilities	
	2020	2019	2020	2019
	£	£	£	£
Euro	1,420,483	2,229,620	893,078	1,008,138
Japanese Yen	36,690	282,132	3,741,662	3,517,112
Dollar	19,351	647	20,948	35,883
	<u>1,476,524</u>	<u>2,512,399</u>	<u>4,655,688</u>	<u>4,561,133</u>

The company is exposed to foreign exchange risks primarily with respect to the Euro and Japanese Yen. The majority of the company's foreign exchange transactions are at spot rate with fellow group companies. Due to the support of the group companies and the flexibility of the trading arrangement between those group companies the major part of the exchange rate risk is mitigated by the ability to delay advanced payments. The directors believe the unmanaged element of the exchange risk is not material.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

22 Trade and other payables

	2020 £	2019 £
Trade payables	239,322	652,935
Amount owed to parent undertaking	81,363	198,284
Amounts owed to fellow group undertakings	50,143	94,057
Accruals	232,939	218,046
Social security and other taxation	19,124	21,403
Other payables	637	3,389
	<u>623,528</u>	<u>1,188,114</u>

23 Provisions for liabilities

	2020 £	2019 £
Employee benefits	<u>83,919</u>	<u>73,191</u>

Analysis of provisions

Provisions are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

Non-current liabilities	<u>83,919</u>	<u>73,191</u>
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Movements on provisions:

	Employee benefits £
At 1 April 2019	73,191
Additional provisions in the year	10,728
At 31 March 2020	<u>83,919</u>

The provision for employment benefits represents long service entitlement accrued. The other provision represents estimated costs for the refurbishment of machinery, which has now been reversed.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

24	Deferred revenue	2020 £	2019 £
	Arising from government grants	33,970	37,148
		<u>33,970</u>	<u>37,148</u>

Analysis of deferred revenue

Deferred revenues are classified based on the amounts that are expected to be settled within the next 12 months and after more than 12 months from the reporting date, as follows:

	2020 £	2019 £
Current liabilities	3,021	3,315
Non-current liabilities	30,949	33,833
	<u>33,970</u>	<u>37,148</u>

25 Retirement benefit schemes

Defined contribution schemes

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

The total costs charged to income in respect of defined contribution plans is £24,625 (2019 - £16,743).

26	Share capital	2020 £	2019 £
	Ordinary share capital		
	<i>Issued and fully paid</i>		
	5,100,000 ordinary shares of £1 each	5,100,000	5,100,000
		<u>5,100,000</u>	<u>5,100,000</u>

The company has one class of ordinary shares which carry no right to fixed income.

27 Contingent liabilities

There is a contingent liability of £16,000 (2019 - £16,000) in respect of a bond given to HM Revenue and Customs by the company's bankers.

28	Capital commitments	2020 £	2019 £
	At 31 March 2020 the company had capital commitments as follows:		
	Contracted for but not provided in the financial statements:		
	Acquisition of property, plant and equipment	3,237	47,802
		<u>3,237</u>	<u>47,802</u>

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2020

29 Capital risk management

The company is not subject to any externally imposed capital requirements.

30 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, including directors, is set out below in aggregate for each of the categories specified in IAS 24 *Related Party Disclosures*.

	2020 £	2019 £
Short-term employee benefits	66,767	64,341
Post-employment benefits	1,316	806
	<u>68,083</u>	<u>65,147</u>

Other transactions with related parties

During the year the company entered into the following transactions with related parties:

	Sale of goods		Purchase of goods	
	2020 £	2019 £	2020 £	2019 £
Parent company	576,754	559,517	190,360	215,703
Subsidiaries	5,060,541	6,581,015	273,503	185,562
	<u>5,637,295</u>	<u>7,140,532</u>	<u>463,863</u>	<u>401,265</u>

	Royalties		Loan interest	
	2020 £	2019 £	2020 £	2019 £
Parent company	104,062	142,766	10,392	6,775
Subsidiaries	89,231	112,730	-	-
	<u>193,293</u>	<u>255,496</u>	<u>10,392</u>	<u>6,775</u>

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

30 Related party transactions

(Continued)

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
Amounts due to related parties		
Parent company	81,363	198,284
Subsidiaries	50,143	94,057
	<u>131,506</u>	<u>292,341</u>

The company also has loans from the parent company. At the year end date the company owed £2,802,551 (2019 - £2,599,583). Interest on the loans has been charged as detailed above. There are no fixed terms of repayment therefore the loans are disclosed as falling due on demand.

The following amounts were outstanding at the reporting end date:

	2020 £	2019 £
Amounts due from related parties		
Parent company	178,416	175,264
Subsidiaries	937,111	1,855,440
	<u>1,115,527</u>	<u>2,030,704</u>

31 Controlling party

As in the previous year, the immediate and ultimate parent company is TYK Corporation, a company incorporated in Japan.

The company is controlled by Mr Ushigome, President and Chairman of the TYK Corporation.

The consolidated financial statements of TYK Corporation are publicly available.

TYK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2020

32 Cash generated from/(absorbed by) operations

	2020 £	2019 £
Loss for the year after tax	(673,968)	(23,137)
Adjustments for:		
Finance costs	22,207	20,818
Investment income	(670)	(172)
Loss/(gain) on disposal of property, plant and equipment	1,955	(913)
Depreciation and impairment of property, plant and equipment	190,791	147,615
Increase/(decrease) in provisions	10,728	(2,347)
Movements in working capital:		
Decrease/(increase) in inventories	359,462	(810,479)
Decrease/(increase) in trade and other receivables	1,095,371	(601,789)
(Decrease)/increase in trade and other payables	(564,586)	558,671
Decrease in deferred revenue outstanding	(3,178)	(3,489)
Cash generated from/(absorbed by) operations	438,112	(715,222)