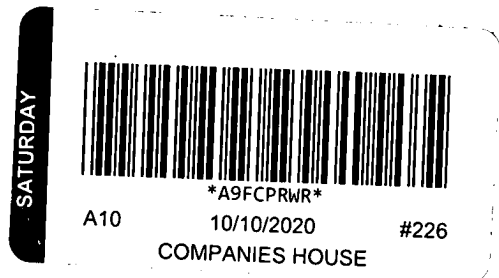


Techsil Limited

Registered number: 02447014

Financial statements

For the year ended 31 July 2020



TECHSIL LIMITED

COMPANY INFORMATION

Directors	Mr P D Hughes Mr C I Dilley Mr M W Rice
Registered number	02447014
Registered office	34 Bidavon Industrial Estate Waterloo Road Alcester Warwickshire B50 4JN
Independent auditor	Mazars LLP Chartered Accountants & Statutory Auditor 45 Church Street Birmingham B3 2RT

TECHSIL LIMITED

CONTENTS

	Page
Statement of Financial Position	1 - 2
Notes to the Financial Statements	3 - 15

TECHSIL LIMITED
REGISTERED NUMBER: 02447014

STATEMENT OF FINANCIAL POSITION
AS AT 31 JULY 2020

	Note	2020 £	2019 £
Fixed assets			
Intangible assets	5	52,555	37,763
Tangible assets	6	131,742	161,744
		<u>184,297</u>	<u>199,507</u>
Current assets			
Stocks	14	815,661	871,815
Debtors: amounts falling due within one year	8	1,846,480	1,573,010
Cash at bank and in hand	9	1,426,724	1,849,339
		<u>4,088,865</u>	<u>4,294,164</u>
Creditors: amounts falling due within one year	10	(1,268,997)	(1,803,088)
Net current assets		<u>2,820,868</u>	<u>2,491,076</u>
Total assets less current liabilities		<u>3,005,165</u>	<u>2,690,583</u>
Provisions for liabilities			
Deferred tax	12	(30,203)	(29,449)
		<u>(30,203)</u>	<u>(29,449)</u>
Net assets		<u>2,974,962</u>	<u>2,661,134</u>
Capital and reserves			
Called up share capital	13	10,500	10,500
Share premium account		93,875	93,875
Profit And Loss Account		2,870,587	2,556,759
		<u>2,974,962</u>	<u>2,661,134</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

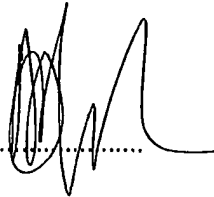
TECHSIL LIMITED
REGISTERED NUMBER: 02447014

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 JULY 2020

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

7 The financial statements were approved and authorised for issue by the board and were signed on its behalf on October 2020.

.....
Mr P D Hughes
Director



The notes on pages 3 to 15 form part of these financial statements.

TECHSIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

1. General information

Techsil Limited (the company) is a limited company incorporated and domiciled in the United Kingdom. The address of its registered office and principal place of business are disclosed on the company information page of these financial statements.

The principal activity of the company is the sale of silicone products and dispensing equipment.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The financial statements are presented in sterling which is also the company's functional currency. The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The following principal accounting policies have been applied:

2.2 Going concern

The directors have no reason to believe that a material uncertainty exists that may cast significant doubt the ability of this company to continue as a concern or its ability to continue with current banking arrangements.

The Covid-19 virus will affect the company in 2020 and risk assessments have been carried out and will be updated on an on-going basis to protect employees against infection risk and to ensure stable services. Several measures have been taken to reduce the risk of infection and mitigate the impact on the company. There are no known current consequences for the company with the Covid-19 virus, but longer-term consequences cannot be ruled out and this is being monitored by Management.

In view of the above the directors believe that it is appropriate to prepare the financial statements on a going concern basis.

2.3 Financial Reporting Standard 102 - reduced disclosure exemptions:

The company has taken the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102:

The requirement of section 7: Statement of Cash Flows.

TECHSIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)**2.4 Foreign currency translation****Functional and presentation currency**

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of Comprehensive Income within 'other operating income'.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

TECHSIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)**2.6 Operating leases: as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 August 2018 to continue to be charged over the period to the first market rent review rather than the term of the lease.

2.7 Interest income

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

2.8 Pensions**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

2. Accounting policies (continued)

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.10 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.11 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

TECHSIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)**2.11 Tangible fixed assets (continued)**

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

L/Term Leasehold Property	-	20% straight line
Plant & machinery	-	25% reducing balance
Fixtures & fittings	-	25% reducing balance

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

2.12 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each reporting date, stocks are assessed for impairment. If stock 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 or loss.

2.13 Debtors

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

2.14 Cash and cash equivalents

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

2.15 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)

2.16 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of Financial Position.

2.17 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Investments in non-derivative instruments that are equity to the issuer are measured:

- at fair value with changes recognised in the Statement of Comprehensive Income if the shares are publicly traded or their fair value can otherwise be measured reliably;
- at cost less impairment for all other investments.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

TECHSIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

2. Accounting policies (continued)**2.17 Financial instruments (continued)**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

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 income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

2.18 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3. Judgments in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements in conformity with generally accepted accounting principles requires the directors to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results in the future could differ from those estimates. In this regards, the Directors believe that there are no critical accounting policies where judgements or estimations are necessarily applied in the financial statements.

4. Staff costs

	2020 £	2019 £
Wages and salaries	558,458	662,088
Social security costs	58,790	61,341
Cost of defined contribution scheme	29,949	25,911
	<u>647,197</u>	<u>749,340</u>

TECHSIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

5. Intangible assets

	Computer software £
Cost	
At 1 August 2019	130,070
Additions	33,550
Disposals	(58,528)
At 31 July 2020	<u>105,092</u>
Amortisation	
At 1 August 2019	92,307
Charge for the year on owned assets	15,247
On disposals	(55,017)
At 31 July 2020	<u>52,537</u>
Net book value	
At 31 July 2020	<u>52,555</u>
At 31 July 2019	<u>37,763</u>

TECHSIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

6. Tangible fixed assets

	L/Term Leasehold Property £	Plant & machinery £	Office equipment £	Total £
Cost				
At 1 August 2019	79,212	253,434	148,843	481,489
Additions	1,585	7,655	7,654	16,894
Disposals	(635)	(795)	(50,142)	(51,572)
At 31 July 2020	80,162	260,294	106,355	446,811
Depreciation				
At 1 August 2019	47,355	171,989	100,401	319,745
Charge for the year on owned assets	10,054	21,241	12,994	44,289
Disposals	(635)	(378)	(47,952)	(48,965)
At 31 July 2020	56,774	192,852	65,443	315,069
Net book value				
At 31 July 2020	23,388	67,442	40,912	131,742
At 31 July 2019	31,857	81,445	48,442	161,744

The net book value of land and buildings may be further analysed as follows:

	2020 £	2019 £
Long leasehold	23,388	31,857
	<u>23,388</u>	<u>31,857</u>

7. Stock

	2020 £	2019 £
Finished goods and goods for resale	815,661	871,815
	<u>815,661</u>	<u>871,815</u>

TECHSIL LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020

8. Debtors

	2020 £	2019 £
Trade debtors	1,350,653	1,336,312
Amounts owed by group undertakings	432,642	123,284
Other debtors	3,781	6,180
Prepayments and accrued income	59,404	107,234
	<u>1,846,514</u>	<u>1,573,010</u>

9. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,426,724	1,849,339
	<u>1,426,724</u>	<u>1,849,339</u>

10. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	858,622	1,325,593
Amounts owed to group undertakings	102	100
Corporation tax	201,529	191,951
Other taxation and social security	142,747	162,782
Other creditors	2,363	2,668
Accruals and deferred income	62,634	119,994
	<u>1,267,997</u>	<u>1,803,088</u>

TECHSIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

11. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at undiscounted amount	1,426,724	1,849,399
Financial assets that are debt instruments measured at amortised cost	1,787,110	1,459,536
	<u>3,213,834</u>	<u>3,308,935</u>
Financial liabilities		
Financial liabilities measured at undiscounted amount	(921,392)	(1,328,361)

Financial assets measured at undiscounted amount comprise cash and bank balances. Financial assets measured at amortised cost comprise trade debtors, other debtors and amounts due from group undertakings.

Financial Liabilities measured at undiscounted amount comprise trade creditors, amounts owed to group undertakings and other creditors.

12. Deferred taxation

	2020 £
At beginning of year	(29,449)
Charged to profit or loss	(754)
At end of year	<u>(30,203)</u>

The provision for deferred taxation is made up as follows:

	2020 £	2019 £
Accelerated capital allowances	(30,652)	(29,855)
Short term timing difference	449	406
	<u>(30,203)</u>	<u>(29,449)</u>

TECHSIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

13. Share capital

	2020 £	2019 £
Allotted, called up and fully paid		
10,000 (2019 - 10,000) Ordinary A Shares shares of £1.00 each	10,000	10,000
500 (2019 - 500) Ordinary B Shares shares of £1.00 each	500	500
	<u>10,500</u>	<u>10,500</u>

14. Pension commitments

The company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £29,949 (2019: £25,911). Contributions totalling £2,363 (2019: £2,668) were payable to the fund at the balance sheet date and are included in creditors.

15. Commitments under operating leases

At 31 July 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	10,802	9,290
Later than 1 year and not later than 5 years	562	509
	<u>11,364</u>	<u>9,799</u>

16. Other financial commitments

The nature of the company's business is such that advanced purchase orders are placed with suppliers to ensure continuity of supply to customers. These purchase orders may be placed months ahead of required delivery dates and the company does not recognise the liability in its accounts until goods are received into stock. The company therefore has a financial commitment in respect of the value of advanced purchase orders and as at 31 July 2020 this amount was £569,901 (2019: £1,716,440).

17. Related party transactions

During the year the company paid a management fee of £680,000 (2019: £830,000) to Techsil Holdings Limited. During the year the company paid rental income of £42,000 (2019: £42,000) to its parent company Techsil Holdings Limited.

At the year end the company was owed £432,642 (2019: £123,284) by its parent undertaking Techsil Holdings Limited. At the year end the company was owed £100 and £2 (2019: £100 and Nil) to fellow group company M-Tec Limited and Glueline Limited respectively.

TECHSIL LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2020**

18. Controlling party

The immediate controlling party is Techsil Holdings Limited, a company registered in England and Wales. The ultimate controlling party is P D Hughes by virtue of his majority shareholding in Techsil Holdings Limited.

19. Auditor's information

The auditor's report on the financial statements for the year ended 31 July 2020 was unqualified.

The audit report was signed on 8 October 2020 by Ian Holder (Senior Statutory Auditor) on behalf of Mazars LLP.