
CHELA LTD

UNAUDITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 AUGUST 2020

CHELA LTD
REGISTERED NUMBER: 02768529

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Current assets			
Stocks		87,476	42,332
Debtors: amounts falling due within one year	6	692,300	451,614
Cash at bank and in hand	7	262,803	188,561
		<u>1,042,579</u>	<u>682,507</u>
Creditors: amounts falling due within one year	8	(611,508)	(418,664)
Net current assets		<u>431,071</u>	<u>263,843</u>
Total assets less current liabilities		<u>431,071</u>	<u>263,843</u>
Net assets		<u><u>431,071</u></u>	<u><u>263,843</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		430,971	263,743
		<u><u>431,071</u></u>	<u><u>263,843</u></u>

The directors consider that the Company is entitled to exemption from audit under section 477 of the Companies Act 2006 and members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

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.

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.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 24 May 2021.

I C U Fisher

Director

The notes on pages 2 to 7 form part of these financial statements.

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

1. General information

Chela Ltd is a private company, limited by shares and incorporated in England and Wales, United Kingdom, with a registration number 02768529. The registered business address of 68 Bilton Way, Enfield, Middlesex, EN3 7NH. The principal activity of the company is the manufacture of chemical goods.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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 profit or loss 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 profit or loss within 'other operating income'.

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

2. Accounting policies (continued)

2.3 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.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

2.5 Taxation

Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company operates and generates income.

2.6 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.

2.7 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.

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

2. Accounting policies (continued)

2.7 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following basis:

Plant and machinery	-	33%	straight line
Office equipment	-	20%	straight line
Computer equipment	-	25%	straight line

2.8 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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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.

2.13 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.

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

3. Employees

The average monthly number of employees, including directors, during the year was 5 (2019 - 5).

4. Intangible assets

	Goodwill £
At 1 September 2019	18,000
Disposals	(18,000)
	<hr/>
At 31 August 2020	-
	<hr/>
At 1 September 2019	18,000
On disposals	(18,000)
	<hr/>
At 31 August 2020	-
	<hr/>
Net book value	
At 31 August 2020	<hr/> <hr/> -
At 31 August 2019	<hr/> <hr/> -

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

5. Tangible fixed assets

	Plant and machinery £	Office equipment £	Computer equipment £	Total £
At 1 September 2019	30,826	59,651	7,132	97,609
Disposals	(30,826)	(59,651)	(7,132)	(97,609)
At 31 August 2020	-	-	-	-
At 1 September 2019	30,826	59,651	7,132	97,609
Disposals	(30,826)	(59,651)	(7,132)	(97,609)
At 31 August 2020	-	-	-	-
Net book value				
At 31 August 2020	-	-	-	-
At 31 August 2019	-	-	-	-

6. Debtors

	2020 £	2019 £
Trade debtors	678,493	438,089
Amounts owed by group undertakings	11,339	11,339
Other debtors	-	938
Prepayments and accrued income	2,468	1,248
	<u>692,300</u>	<u>451,614</u>

7. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	262,802	188,561
	<u>262,802</u>	<u>188,561</u>

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

8. Creditors: Amounts falling due within one year

	2020 £	2019 £
Trade creditors	341,338	243,260
Amounts owed to group undertakings	56,011	106,105
Corporation tax	145,830	48,944
Other taxation and social security	26,126	6,796
Other creditors	18,000	377
Accruals and deferred income	24,203	13,182
	<u>611,508</u>	<u>418,664</u>

9. Financial instruments

	2020 £	2019 £
Financial assets		
Financial assets measured at fair value through profit or loss	<u>262,802</u>	<u>188,561</u>

Financial assets measured at fair value through profit or loss comprise comprise of cash and cash equivalents

10. Related party transactions

At the year-end the following amounts were due from/(to) the related parties:

	2020 £	2019 £
Group companies	(311,973)	234
	<u>(311,973)</u>	<u>234</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.