

COMPANIES HOUSE COPY

## **Todaytec UK Limited**

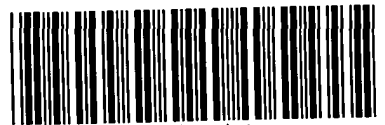
Report and Financial Statements

Year Ended

31 December 2018

Company Number 08567856

WEDNESDAY



\*L904610B\*

LD5

04/03/2020

#16

COMPANIES HOUSE

**IBDO**

# **Todaytec UK Limited**

## **Report and financial statements for the year ended 31 December 2018**

---

### **Contents**

#### **Page:**

1	Directors' Report
2	Statement of Directors' Responsibilities
3	Independent Auditor's Report
6	Statement of Comprehensive Income
7	Statement of Financial Position
8	Statement of Changes In Equity
9	Notes forming part of the financial statements

---

### **Directors**

J Liu  
H Liu

### **Registered office**

3 Hardman Street, Manchester, M3 3AT

### **Company number**

08567856

### **Auditors**

BDO LLP, Two Snowhill, Birmingham, B4 6GA

# **Todaytec UK Limited**

## **Directors' Report**

### **for the year ended 31 December 2018**

---

The directors present their report together with the audited financial statements for the year ended 31 December 2018.

#### **Principal activity**

The principal activity of the company is the sale of thermal transfer ribbon.

#### **Results and dividends**

The Statement of Comprehensive Income is set out on page 6 and shows the loss for the year.

No dividend has been paid or proposed in the current year (2017- £Nil). The directors do not propose the payment of a final dividend (2017 - £Nil).

#### **Directors**

The directors who served during the year and up to the date of approval of these financial statements were:

J Liu  
H Liu

#### **Disclosure of information to auditors**

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- that director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **Auditors**

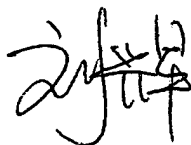
The auditors, BDO LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

#### **Small companies note**

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 4 March 2020 and signed on its behalf.

#### **On behalf of the board**



J Liu  
**Director**

# **Todaytec UK Limited**

## **Statement of directors' responsibilities**

---

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

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

In preparing these financial statements, the directors are required to:

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

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

# Todaytec UK Limited

## Independent Auditor's Report

---

### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF TODAYTEC UK LIMITED

#### Opinion

We have audited the financial statements of Todaytec UK Limited ("the Company") for the year ended 31 December 2018 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes In Equity and the 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 United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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.

#### Other information

The Directors are responsible for the other information. The other information comprises the information included in the Directors report and financial statements, 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.

# Todaytec UK Limited

## Independent Auditor's Report

---

### Opinions on other matters prescribed by the Companies Act 2006

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

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

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' report.

### Responsibilities of Directors

As explained more fully in the Directors' responsibilities, 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 Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

# Todaytec UK Limited

## Independent Auditor's Report

---

### Use of our report

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

BDO LLP

Samantha Lifford (Senior Statutory Auditor)  
For and on behalf of BDO LLP, Statutory Auditor  
Birmingham  
4 March 2020

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

# Todaytec UK Limited

## Statement of Comprehensive Income for the year ended 31 December 2018

	Note	2018 £	2017 £
<b>Turnover</b>	4	<b>2,803,912</b>	3,280,334
Cost of sales		<b>(2,433,619)</b>	(2,863,424)
<b>Gross profit</b>		<b>370,293</b>	416,910
Distribution costs		<b>(69,677)</b>	(51,339)
Administrative expenses		<b>(340,256)</b>	(282,461)
<b>Operating (loss) / profit</b>	5	<b>(39,640)</b>	83,110
Taxation on loss / (profit)	8	<b>7,128</b>	(18,963)
<b>(Loss) / Profit and total comprehensive income for the financial year</b>		<b>(32,512)</b>	64,147

There were no recognised gains and losses for 2018 or 2017 other than those included in the Statement of Comprehensive Income.

All amounts relate to continuing activities.

The notes on pages 9 to 17 form part of these financial statements.




# Todaytec UK Limited

## Statement of Financial Position at 31 December 2018

<i>Company number 08567856</i>	<i>Note</i>	<b>2018</b> £	<b>2018</b> £	<b>2017</b> £	<b>2017</b> £
<b>Fixed assets</b>					
Tangible assets	9		<b>47,592</b>		51,139
<b>Current assets</b>					
Stocks	10	<b>416,864</b>		484,282	
Debtors: amounts falling due within one year	11	<b>548,563</b>		531,826	
Cash at bank and in hand	12	<b>88,871</b>		90,599	
		<b>1,054,298</b>		<b>1,106,707</b>	
<b>Creditors: amounts falling due within one year</b>	13	<b>(638,653)</b>		<b>(662,097)</b>	
<b>Net current assets</b>			<b>415,645</b>		444,610
<b>Net assets</b>			<b>463,237</b>		495,749
<b>Capital and reserves</b>					
Called up share capital	14		<b>255,444</b>		255,444
Retained earnings			<b>207,793</b>		240,305
<b>Shareholders' funds</b>			<b>463,237</b>		495,749

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

The financial statements were approved by the Board of Directors and authorised for issue on 4 March 2020



J Liu  
Director

The notes on pages 9 to 17 form part of these financial statements.

# Todaytec UK Limited

## Statement of Changes in Equity for the year ended 31 December 2018

	Share capital £	Retained earnings £	Total equity £
At 1 January 2018	255,444	240,305	495,749
<b>Comprehensive income for the year</b>			
Loss for the year	-	(32,512)	(32,512)
<b>Total comprehensive income for the year</b>	-	(32,512)	(32,512)
<b>At 31 December 2018</b>	<b>255,444</b>	<b>207,793</b>	<b>463,237</b>

## Statement of Changes in Equity for the year ended 31 December 2017

	Share Capital £	Retained earnings £	Total Equity £
At 1 January 2017	255,444	176,158	431,602
<b>Comprehensive income for the year</b>			
Profit for the year	-	64,147	64,147
<b>Total comprehensive income for the year</b>	-	64,147	64,147
<b>At 31 December 2017</b>	<b>255,444</b>	<b>240,305</b>	<b>495,749</b>

Reserves are described below:

Share capital – the nominal value of allotted and fully paid up ordinary share capital.

Retained earnings – cumulative net gains and losses recognised in the Statement of Comprehensive Income.

The notes on pages 9 to 17 form part of these financial statements.

# Todaytec UK Limited

## Notes forming part of the financial statements for the year ended 31 December 2018

---

### 1 General information

Todaytec UK Limited is a company incorporated in England & Wales under the Companies Act. The address of the registered office is given on the contents page. The principal activity of the company is the sale of thermal transfer ribbon.

### 2 Accounting policies

#### 2.1 Basis of preparation of financial statements

The financial statements for the year ended 31 December 2018 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 preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The accounts have been prepared in the company's functional currency, pounds sterling.

The following principal accounting policies have been applied consistently:

#### 2.2 Financial reporting standard 102- reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland."

The accounts have been prepared using certain of the reduced disclosure exemptions permitted by FRS 102. The accounts therefore do not include:

- the requirements of Section 4 Statement of Financial Position paragraph 4.12 (a) (iv);
- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c) 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c); and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

#### 2.3 Going concern

The company was established in 2013 in order to build a UK trading presence for group operations. The directors have received confirmation of continued support from the parent company that they will provide any additional funding required to meet its external liabilities as they fall due and to support the company trading operations for at least the 12 months following the date of approval of these financial statements. On this basis the directors have prepared the financial statements on a going concern basis.

#### 2.4 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.

Revenue is recognised when the risks and rewards of ownership of goods have passed on to the buyer, usually on delivery of the goods.

# Todaytec UK Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 1 Accounting policies (continued)

#### 2.5 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.

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	-	25% on reducing balance
Motor vehicles	-	33% on reducing balance
Office equipment	-	50% straight line

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 within 'administrative expenses' in the Statement of Comprehensive Income.

At each reporting date the company assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

#### 2.6 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.

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 the Statement of Comprehensive Income.

#### 2.7 Financial instruments

##### *Financial assets*

Financial assets comprise cash at bank and in hand and trade and other debtors; these are initially recorded at cost on the date they originate and are subsequently recorded at amortised cost under the effective interest method. The company considers evidence of impairment for all individual trade and other debtors and amounts owed by group undertakings, and any subsequent impairment is recognised in the Statement of Comprehensive Income.

##### *Impairment of financial assets carried at amortised cost*

Impairment provisions are recognised when there is objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulties of the counterparty, default or significant delays in payment.

Impairment provisions represent the difference between the net carrying amount of a financial asset and the present value of the expected future cash receipts from that asset.

# Todaytec UK Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

---

### 2 Accounting policies (continued)

#### 2.7 Financial instruments (continued)

##### *Financial liabilities*

Financial liabilities comprise trade creditors, accruals and amounts due to group undertakings; these are initially recorded at cost on the date they originate, and are subsequently carried at amortised cost under the effective interest method.

#### 2.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

#### 2.9 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.

#### 2.10 Creditors

Short term creditors are measured at the transaction price.

#### 2.11 Foreign currency translation

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.

#### 2.12 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a change 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.

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 is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### 2.13 Operating leases

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

# Todaytec UK Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 2 Accounting policies (continued)

#### 2.14 Defined contribution pension scheme

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 payments 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.

### 3 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have had to make judgements, estimates and assumptions that effect the application of policies and reported amounts of assets, liabilities, income and expenses.

The estimates and associated assumptions are based on historic experiences and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities and are not readily apparent from other sources. Actual results may differ from these estimates. The judgements, estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are:

#### *Stock provisions*

The company has recognised provisions for the impairment of stock. The judgements, estimates and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

#### *Bad debt provisions*

The company has recognised provisions for bad debts. This is based on an assessment of ageing and due date of receivables and other risk indicators. The judgement of management is then applied to provide for debts which are no longer considered recoverable.

### 4 Analysis of turnover

The whole of the turnover is attributable to the primary business activity.

The proportion of turnover that is attributable to markets outside the UK is 55% (2017 - 54%).

### 5 Operating (loss)/profit

	2018 £	2017 £
The operating (loss) / profit is stated after charging/(crediting):		
Inventory recognised as an expense	2,433,619	2,697,222
Fees payable to the company's auditor for the audit of the company's annual accounts	12,500	11,500
Depreciation of tangible fixed assets	14,826	16,927
Exchange losses / (gains)	37,417	(13,942)
Operating lease costs	57,285	36,735
Defined contribution pension scheme	2,106	329
Profit on disposal of tangible fixed assets	-	(22)
	<hr/>	<hr/>

# Todaytec UK Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 6 Employees

	2018 £	2017 £
Staff costs, including director's remuneration were as follows:		
Wages and salaries	149,982	101,980
Social security costs	7,331	9,902
Defined contribution pension scheme	2,106	329
	<u>159,419</u>	<u>112,211</u>
	2018 Number	2017 Number
The average number of employees, including directors during the year were:		
Average number of employees	<u>5</u>	<u>5</u>

### 7 Directors' remuneration

	2018 £	2017 £
Directors' emoluments	33,000	23,904
Defined contribution pension scheme	660	198
	<u>33,660</u>	<u>24,102</u>

During the period, some directors did not receive any emoluments. These directors are also directors of other group companies within which their remuneration was paid.

Key management personnel include the directors of the company. The directors do not consider any other personnel to be classed as key management. The directors have authority and responsibility for the planning, directing and controlling of the activities of the company. The total compensation paid to key management personnel for services provided to the company was £37,061 (2017 - £26,556).

# Todaytec UK Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 8 Taxation

	2018 £	2017 £
Total current tax	(7,128)	18,963

#### Factors affecting tax charge for the year

The tax assessed for the year is different to the standard rate of corporation tax in the UK of 19% (2017 – 19.25%). The differences are explained below:

	2018 £	2017 £
(Loss) / Profit before tax	(39,640)	83,110
(Loss) / Profit multiplied by standard rate of corporation tax in the UK of 19% (2017 – 19.25%)	(7,532)	15,999
Effects of:		
Unrecognised deferred tax	1,401	2,617
Effect of change of tax rate in the year	(7,128)	347
Losses carried back	6,131	-
Total tax (credit) / charge for the year	(7,128)	18,963

#### Factors that may affect future tax charges

The main rate of UK corporation tax for the year commencing 1 April 2016 was 20%, this reduced to 19% for the year commencing 1 April 2018. The finance Act 2017, enacted on 15 September 2016, reduced the main rate of Corporation tax to 17% for the year commencing 1 April 2020. Deferred tax has been calculated using the substantively enacted rates at the year end.



# Todaytec UK Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 9 Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Office equipment £	Total £
<i>Cost</i>				
At 1 January 2018	148,800	-	12,016	160,816
Additions				
Disposals	9,610		1,669	11,279
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	<b>158,410</b>		<b>13,685</b>	<b>172,095</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Depreciation</i>				
At 1 January 2018	102,594	-	7,083	109,677
Charge for the year	12,599		2,227	14,826
Disposals	-		-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2018	<b>115,193</b>		<b>9,310</b>	<b>124,503</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<i>Net book value</i>				
At 31 December 2018	<b>43,217</b>		<b>4,375</b>	<b>47,592</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2017	46,206	-	4,933	51,139
	<hr/>	<hr/>	<hr/>	<hr/>

### 10 Stocks

	2018 £	2017 £
Finished goods	<b>416,864</b>	484,282
	<hr/>	<hr/>

There is no material difference between the replacement cost of stocks and the amounts stated above.

The cost of inventories expensed in the year and included within cost of sales was £2,433,619 (2017 - £2,697,222). Impairment provision at the year-end relating to damaged or obsolete inventories amounted to £9,837 (2017 - £6,000).

# Todaytec UK Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 11 Debtors

	2018 £	2017 £
Trade debtors	410,059	430,915
Other debtors	106,764	91,680
Corporation tax recoverable	28,658	-
Prepayments and accrued income	3,082	9,231
	<u>548,563</u>	<u>531,826</u>

All amounts shown under debtors fall due for payment within one year.

The impairment loss recognised in the Statement of Comprehensive Income for the year in respect of bad and doubtful trade debtors was £29,942 (2017 - £95,042).

### 12 Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>88,871</u>	<u>90,599</u>

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

	2018 £	2017 £
Trade creditors	99,000	46,287
Amounts owed to group undertakings	515,973	574,067
Other taxation and social security	4,310	2,645
Accruals and deferred income	19,370	20,135
Corporation tax	-	18,963
	<u>638,653</u>	<u>662,097</u>

The amounts owed to group undertakings are free from interest and have no fixed date of repayment. There is no expectation that the amount due to group undertakings will be repaid within 12 months from the date of approval of these financial statements (see note 2.3 going concern).

### 14 Share capital

	2018 £	2017 £
<b>Shares classified as equity</b>		
<i>Allotted, called up and fully paid</i>		
4,000 ordinary shares of £63.86 each	<u>255,444</u>	<u>255,444</u>

The profits of the company are available for distribution in respect of each accounting period. In the event of winding-up the company, surplus assets and retained profits of the company after payments of its liabilities are available for distribution amongst members.

# Todaytec UK Limited

## Notes forming part of the financial statements for the year ended 31 December 2018 (continued)

### 15 Pension commitments

The company operates a defined contribution 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 £2,106 (2017 - £329). £4,409 (2017 - £225) was outstanding at the end of the financial year.

### 16 Commitments under operating leases

At 31 December 2018 the company had future minimum lease payments under non-cancellable operating leases as follows:

	2018 £	2017 £
Not later than 1 year	9,593	36,735
Later than 1 year and not later than 5 years	37,830	-
	<u>47,422</u>	<u>36,735</u>

### 17 Ultimate parent company and parent undertaking of larger group

The company is a subsidiary of Hangzhou Todaytec Digital Co Limited which is the ultimate parent company incorporated in China.

The largest and smallest group in which the results are consolidated is that headed by Hangzhou Todaytec Digital Co Limited. Copies of the financial statements are available on request from 600 Kangxin Rd, Hangzhou Qianjiang Economy Development Zone, Linping, Hangzhou, China.