

**ANTEX (ELECTRONICS) LIMITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2016**



## **ANTEX (ELECTRONICS) LIMITED**

### **COMPANY INFORMATION**

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<b>Directors</b>	Mr J V Curzon Mr P R Collins Mr I L Lockhart Mr W Wang
<b>Company secretary</b>	Mr G D Davies
<b>Registered number</b>	04762632
<b>Registered office</b>	2 Westbridge Industrial Estate Tavistock Devon PL19 8DE
<b>Independent auditors</b>	Bishop Fleming LLP Chartered Accountants & Statutory Auditors 2nd Floor Stratus House Emperor Way Exeter Business Park Exeter EX1 3QS

**ANTEX (ELECTRONICS) LIMITED**  
**REGISTERED NUMBER:04762632**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2016**

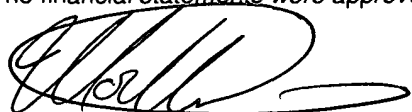
	Note	2016 £	As restated 2015 £
<b>Fixed assets</b>			
Intangible assets	5	12,251	2,416
Tangible assets	6	14,101	16,027
<b>Current assets</b>			
Stocks	7	333,044	302,363
Debtors: amounts falling due within one year	8	276,026	309,627
Cash at bank and in hand		94,232	56,413
		<u>703,302</u>	<u>668,403</u>
Creditors: amounts falling due within one year	9	(307,029)	(516,191)
<b>Net current assets</b>		<u>396,273</u>	<u>152,212</u>
<b>Total assets less current liabilities</b>		<u>422,625</u>	<u>170,655</u>
Creditors: amounts falling due after more than one year	10	(410,000)	(189,199)
<b>Net assets/(liabilities)</b>		<u><u>12,625</u></u>	<u><u>(18,544)</u></u>
<b>Capital and reserves</b>			
Called up share capital	11	3,000	300,000
Profit and loss account	12	9,625	(318,544)
		<u><u>12,625</u></u>	<u><u>(18,544)</u></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.

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 by:



**Mr I L Lockhart**  
Director

Date: 27/3/2017

The notes on pages 3 to 11 form part of these financial statements.

**ANTEX (ELECTRONICS) LIMITED****STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<b>Called up share capital</b>	<b>Profit and loss account</b>	<b>Total equity</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 January 2015</b>	<b>300,000</b>	<b>(339,776)</b>	<b>(39,776)</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	21,232	21,232
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>21,232</b>	<b>21,232</b>
<b>At 1 January 2016</b>	<b>300,000</b>	<b>(318,544)</b>	<b>(18,544)</b>
<b>Comprehensive income for the year</b>			
Profit for the year	-	31,169	31,169
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>31,169</b>	<b>31,169</b>
Shares cancelled during the year	(297,000)	-	(297,000)
Transfer to/from profit and loss account	-	297,000	297,000
<b>Total transactions with owners</b>	<b>(297,000)</b>	<b>297,000</b>	<b>-</b>
<b>At 31 December 2016</b>	<b>3,000</b>	<b>9,625</b>	<b>12,625</b>

## **ANTEX (ELECTRONICS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **1. GENERAL INFORMATION**

Antex (Electronics) Limited is a limited liability company incorporated in the United Kingdom. The registered office is 2 Westbridge Industrial Estate, Tavistock, Devon, PL19 8DE.

The principal activity of the company during the year was the manufacture and sale of electric and electronic soldering irons, stations and accessories.

#### **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 GOING CONCERN**

The company is continuing to trade profitably and has a net asset position at the year end, as well as the continued support of the parent company through loan finance. The parent has expressed its willingness to continue to support the company for the foreseeable future. On this basis of such continuing support and profitable trading, the directors consider that the company is a going concern and the accounts are prepared on that basis.

##### **2.3 TURNOVER**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

###### **Sale of goods**

Turnover 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 turnover 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.

## **ANTEX (ELECTRONICS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **2. ACCOUNTING POLICIES (continued)**

##### **2.4 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.

Amortisation is provided on the following bases:

Development expenditure	-	% 5 years straight line
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Amortisation begins when the intangible asset is available for use.

##### **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, using the straight-line method.

Depreciation is provided on the following basis:

Plant and machinery	- 5 years straight line
Fixtures and fittings	- 5 years 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 in the Statement of comprehensive income.

##### **2.6 DEVELOPMENT COSTS**

Development expenditure is capitalised as an intangible asset in accordance with the accounting policy given above, otherwise it is expensed. Initial capitalisation of costs is based on management's judgement that technical and economic feasibility is confirmed.

##### **2.7 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.

## **ANTEX (ELECTRONICS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **2. ACCOUNTING POLICIES (continued)**

##### **2.8 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.

##### **2.9 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 FINANCIAL INSTRUMENTS**

The Company only enters into basic financial instruments 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 non-puttable ordinary shares.

##### **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 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.

##### **2.13 FINANCE COSTS**

Finance costs are charged to the Statement of comprehensive income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

## ANTEX (ELECTRONICS) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016

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#### 2. ACCOUNTING POLICIES (continued)

##### 2.14 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.

#### 3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

No significant judgements have had to be made by the directors in preparing these financial statements.

#### 4. AVERAGE NUMBER OF EMPLOYEES

The average number of employees, including directors, during the year was 18 (2015: 18).

#### 5. INTANGIBLE ASSETS

	Develop- ment £
<b>COST</b>	
At 1 January 2016	2,500
Additions - internal	9,751
At 31 December 2016	<u>12,251</u>
At 1 January 2016	84
Charge for the year	1,229
Prior year restatement	(1,313)
<b>NET BOOK VALUE</b>	
At 31 December 2016	<u><u>12,251</u></u>
At 31 December 2015	<u><u>2,416</u></u>



**ANTEX (ELECTRONICS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016****6. TANGIBLE FIXED ASSETS**

	Plant and machinery £	Fixtures and fittings £	Total £
<b>COST OR VALUATION</b>			
At 1 January 2016	326,582	114,262	440,844
Additions	1,349	3,784	5,133
Disposals	(251,646)	(40,347)	(291,993)
At 31 December 2016	<u>76,285</u>	<u>77,699</u>	<u>153,984</u>
<b>DEPRECIATION</b>			
At 1 January 2016	321,066	103,751	424,817
Charge for the period on owned assets	3,706	3,353	7,059
Disposals	(251,646)	(40,347)	(291,993)
At 31 December 2016	<u>73,126</u>	<u>66,757</u>	<u>139,883</u>
<b>NET BOOK VALUE</b>			
At 31 December 2016	<u>3,159</u>	<u>10,942</u>	<u>14,101</u>
At 31 December 2015	<u>5,516</u>	<u>10,511</u>	<u>16,027</u>

**7. STOCKS**

	2016 £	2015 £
Components and work in progress	283,549	245,184
Finished goods and goods for resale	49,495	57,179
	<u>333,044</u>	<u>302,363</u>

Stock recognised in cost of sales during the year as an expense was £661,277 (2015: £620,266).

**ANTEX (ELECTRONICS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016****8. DEBTORS**

	2016 £	2015 £
Trade debtors	212,451	231,655
Prepayments and accrued income	63,575	77,972
	<u>276,026</u>	<u>309,627</u>

**9. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2016 £	2015 £
Invoice finance discounting advance	-	179,125
Trade creditors	216,753	182,837
Other taxation and social security	47,244	42,926
Other creditors	1,449	-
Accruals and deferred income	41,583	51,303
Share capital treated as debt	-	60,000
	<u>307,029</u>	<u>516,191</u>

	2016 £	2015 £
<b>OTHER TAXATION AND SOCIAL SECURITY</b>		
PAYE/NI control	8,747	7,910
VAT control	38,497	35,016
	<u>47,244</u>	<u>42,926</u>

**Secured loans**

In the prior year, included within creditors due within one year, the invoice finance discounting facility was secured.

**ANTEX (ELECTRONICS) LIMITED****NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016****10. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR**

	2016 £	2015 £
Amounts owed to parent company	350,000	189,199
Share capital treated as debt	60,000	-
	<u>410,000</u>	<u>189,199</u>

**Secured loans**

The loan from the parent company is secured over stock and fixed assets.

**11. SHARE CAPITAL**

	2016 £	2015 £
<b>SHARES CLASSIFIED AS EQUITY</b>		
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
300,000 (2015: 300,000) Ordinary shares of £0.01 (2015: £1) each	<u>3,000</u>	<u>300,000</u>

During the year, 300,000 ordinary shares of £1 were subdivided to 30,000,000 £0.01 each, with no change in rights. 29,700,000 of £0.01 shares were then cancelled.

	2016 £	2015 £
<b>SHARES CLASSIFIED AS DEBT</b>		
<b>ALLOTTED, CALLED UP AND FULLY PAID</b>		
60,000 Preference shares of £1 each	<u>60,000</u>	<u>60,000</u>

**Preference shares**

The company is entitled to redeem all or any of the Preference Shares, subject to giving 28 days notice in writing to the shareholders, but in any event by 31 December 2018. However, the preference shareholders accepted that they will not be redeemed until at least December 2018, and the liability has been included as due after one year on that basis. Preference shares are redeemable at par, and have no voting rights.

Creditors due within one year include £24,000 (2015: £28,800) in fixed cumulative preference dividends dating back to January 2010, which remain unpaid.

**12. RESERVES****Profit and loss account**

This reserve includes all current and prior period retained profits and losses.

## **ANTEX (ELECTRONICS) LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2016**

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#### **13. PRIOR YEAR RESTATEMENT**

The accounts have been restated to incorporate the impact of a misclassification of a number of expenditure items between cost of sales, distribution and administrative expenses. This was a misclassification only, the restatement has made no change to the amounts included in the profit and loss reserves.

Furthermore, capitalised development expenditure which had previously been included in fixed assets has now been correctly classified as intangible assets.

#### **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 £1,015 (2015: £Nil). Contributions totalling £Nil (2015: £Nil) were payable to the fund at the reporting date.

#### **15. RELATED PARTY TRANSACTIONS**

Included in other creditors, in amounts falling due after more than one year, is a loan from TSC Group Holdings Limited, the parent company. At the year end the company owed TSC Group Holdings Limited £350,000 (2015: £189,199). Interest is charged at 6% per annum on this loan. Interest paid was £18,838 for the period. Included in accruals is unpaid preference shares dividends of £24,000 (2015: £28,800) owed to TSC Group Holdings Limited. Interest is chargeable at 8% per annum on these balances. Included in accruals is interest of £4,290 (2015: £8,426) relating to these balances.

During the year, the company made supplies to TSC Hong Kong Limited, a fellow subsidiary company of TSC Group Holdings Limited, totalling £Nil (2015: £6,000). At the year end, TSC Hong Kong Limited owed the company £Nil (2015: £6,000).

During the year, DTS Mechelec Ltd, a company under common ownership, made supplies to the company totalling £201,279 (2015: £162,180) and made sales to the company of £28,455 (2015: £400). At the year end, the company owed DTS Mechelec Ltd £96,095 (2015: £77,954) and is included in trade creditors. Trade debtors includes £Nil (2015: £400) owed by DTS Mechelec Ltd.

During the year, Ensota HK Limited, a company under common control, supplied management services to the company totalling £24,000 (2015: £Nil). At the year end, Ensota HK Limited was owed £24,000 (2015: £Nil) and is included within trade creditors.

#### **16. CONTROLLING PARTY**

In the prior year, the company became under the control of parent company TSC Group Holdings Limited, a company incorporated in the British Virgin Islands.

TSC Group Holdings Limited is not under the control of any one person.

#### **17. FIRST TIME ADOPTION OF FRS 102**

The policies applied under the entity's previous accounting framework are not materially different to FRS 102 and have not impacted on equity or profit or loss.

**ANTEX (ELECTRONICS) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2016**

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**18. AUDITORS' INFORMATION**

The auditor's report for the year ended 31 December 2016 was unqualified.

The audit report was signed by Fleur Lewis (Senior Statutory Auditor) on behalf of Bishop Fleming LLP.