

ANTEX (ELECTRONICS) LIMITED

FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 DECEMBER 2020

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

| | Note | 2020 £ | 2019 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 4 | 5,867 | 9,575 |
| Tangible assets | 5 | 35,290 | 9,535 |
| | | <u>41,157</u> | <u>19,110</u> |
| Current assets | | | |
| Stocks | 6 | 329,106 | 353,130 |
| Debtors: amounts falling due within one year | 7 | 205,147 | 208,560 |
| Cash at bank and in hand | | 60,907 | 17,898 |
| | | <u>595,160</u> | <u>579,588</u> |
| Creditors: amounts falling due within one year | 8 | (373,415) | (302,972) |
| Net current assets | | <u>221,745</u> | <u>276,616</u> |
| Total assets less current liabilities | | <u>262,902</u> | <u>295,726</u> |
| Creditors: amounts falling due after more than one year | 9 | (410,000) | (410,000) |
| Net liabilities | | <u>(147,098)</u> | <u>(114,274)</u> |
| Capital and reserves | | | |
| Called up share capital | 11 | 3,000 | 3,000 |
| Profit and loss account | | (150,098) | (117,274) |
| | | <u>(147,098)</u> | <u>(114,274)</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 income and retained earnings 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 September 2021

The notes on pages 2 to 10 form part of these financial statements.

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

1. GENERAL INFORMATION

Antex (Electronics) Limited is a limited liability company incorporated in the United Kingdom. The registered office is 4 Darklake View, Estover, Plymouth, Devon, PL6 7TL.

The principal activity of the company during the year was the manufacture and sale of 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

Following the outbreak of COVID-19 in early 2020, the directors are confident that the Company will be able to meet the demands of its customer base throughout 2021. The Company has taken advantage of the government furlough scheme and is meeting current demand with a reduced workforce. A reduction to supply of product to date has been mitigated with stockholdings, and further stocks have been built during early 2021. There has been little change in the customer base and orders in 2021 are seeing a 10% reduction when compared with the pre COVID-19 period. The 1st quarter of 2021 management accounts are profitable. The directors do not anticipate any material change to the current business model as a result of COVID- 19.

The Company's parent has also indicated its willingness and ability to continue to provide such financial support as is necessary for the Company to continue to trade for the foreseeable future. In light of this, the directors consider it appropriate for the financial statements to be prepared on a going concern basis.

The Company relies on its staff to manufacture and pack products for dispatch and on the postal network for wider distribution. The company has demonstrated throughout the COVID-19 period that it has strategy in place to manage staff, product, and distribution disruption. The company is trading profitably with sales almost back to pre-COVID-19 levels. As such there are no material uncertainties related to events or conditions that may cast doubt on the Company's ability to continue to trade as a going concern.

2.3 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.

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

2. ACCOUNTING POLICIES (continued)

2.4 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.

2.5 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.

2.6 LEASED ASSETS: THE COMPANY AS LESSEE

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.7 RESEARCH AND DEVELOPMENT

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

2.8 GOVERNMENT GRANTS

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the Statement of Income and Retained Earnings in the same period as the related expenditure.

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

2. ACCOUNTING POLICIES (continued)

2.9 FINANCE COSTS

Finance costs are charged to profit or loss 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.

2.10 BORROWING COSTS

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 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 profit or loss 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.

2.12 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 profit or loss.

2.13 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.

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

2. ACCOUNTING POLICIES (continued)

2.14 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.

2.15 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.

2.16 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.

2.17 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.

3. EMPLOYEES

The average monthly number of employees, including directors, during the year was 12 (2019: 14).

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

4. INTANGIBLE ASSETS

| | Development expenditure £ |
|-------------------------------------|---------------------------------|
| COST | |
| At 1 January 2020 | 18,544 |
| | <hr/> |
| At 31 December 2020 | 18,544 |
| | <hr/> |
| AMORTISATION | |
| At 1 January 2020 | 8,969 |
| Charge for the year on owned assets | 3,708 |
| | <hr/> |
| At 31 December 2020 | 12,677 |
| | <hr/> |
| NET BOOK VALUE | |
| At 31 December 2020 | 5,867 |
| | <hr/> |
| At 31 December 2019 | 9,575 |
| | <hr/> |

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

5. TANGIBLE FIXED ASSETS

| | Plant and machinery £ | Fixtures and fittings £ | Total £ |
|-------------------------------------|-----------------------------|-------------------------------|------------|
| COST OR VALUATION | | | |
| At 1 January 2020 | 69,409 | 56,298 | 125,707 |
| Additions | 4,950 | 25,086 | 30,036 |
| At 31 December 2020 | 74,359 | 81,384 | 155,743 |
| DEPRECIATION | | | |
| At 1 January 2020 | 67,592 | 48,580 | 116,172 |
| Charge for the year on owned assets | 874 | 3,407 | 4,281 |
| At 31 December 2020 | 68,466 | 51,987 | 120,453 |
| NET BOOK VALUE | | | |
| At 31 December 2020 | 5,893 | 29,397 | 35,290 |
| At 31 December 2019 | 1,817 | 7,718 | 9,535 |

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

| | 2020 £ | 2019 £ |
|----------------------|-----------|-----------|
| Fixture and fittings | 25,086 | - |
| | 25,086 | - |

6. STOCKS

| | 2020 £ | 2019 £ |
|-------------------------------------|-----------|-----------|
| Components and work in progress | 295,523 | 314,866 |
| Finished goods and goods for resale | 33,583 | 38,264 |
| | 329,106 | 353,130 |

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

7. DEBTORS

| | 2020 £ | 2019 £ |
|--------------------------------|----------------|----------------|
| Trade debtors | 180,646 | 181,128 |
| Other debtors | 1,300 | 362 |
| Prepayments and accrued income | 23,201 | 27,070 |
| | <u>205,147</u> | <u>208,560</u> |

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

| | 2020 £ | 2019 £ |
|---|----------------|----------------|
| Trade creditors | 241,600 | 233,811 |
| Other taxation and social security | 51,923 | 30,492 |
| Obligations under finance lease and hire purchase contracts | 24,798 | - |
| Other creditors | 1,553 | 1,103 |
| Accruals and deferred income | 53,541 | 37,566 |
| | <u>373,415</u> | <u>302,972</u> |

The loan from the parent company is secured by a fixed and floating charge over the company's assets.

9. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

| | 2020 £ | 2019 £ |
|------------------------------------|----------------|----------------|
| Bank loans | 50,000 | - |
| Amounts owed to group undertakings | 300,000 | 350,000 |
| Share capital treated as debt | 60,000 | 60,000 |
| | <u>410,000</u> | <u>410,000</u> |

The £300,000 loan from the parent company is secured by a fixed and floating charge over the company's assets. The new £50,000 loan is a part of the government Bounce Back fixed rate loan scheme.

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

10. LOANS

Analysis of the maturity of loans is given below:

| | 2020 £ | 2019 £ |
|--|---------------|-----------|
| AMOUNTS FALLING DUE AFTER MORE THAN 5 YEARS | | |
| Other loans | 50,000 | - |
| | <u>50,000</u> | <u>-</u> |

11. SHARE CAPITAL

| | 2020 £ | 2019 £ |
|---|---------------|---------------|
| SHARES CLASSIFIED AS EQUITY | | |
| ALLOTTED, CALLED UP AND FULLY PAID | | |
| 300,000 (2019: 300,000) Ordinary shares of £0.01 each | <u>3,000</u> | <u>3,000</u> |
| SHARES CLASSIFIED AS DEBT | | |
| ALLOTTED, CALLED UP AND FULLY PAID | | |
| 60,000 (2019: 60,000) Preference shares of £1.00 each | <u>60,000</u> | <u>60,000</u> |

Preference shares

The preference shareholders accepted that they will not be redeemed until at least a year after the signing date of these accounts, 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.

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

12. RELATED PARTY TRANSACTIONS

Included in other creditors, is a loan from TSC Group Holdings Limited, the parent company. At the year end the company owed TSC Group Holdings Limited £300,000 (2019: £350,000). Interest is charged at 6% (2019: 6%) per annum on this loan. Interest charged was £20,148 (2019: £21,856) for the period. Interest is chargeable at 8% (2019: 8%) per annum on the preference shares held by TSC Group Holdings Limited. Interest charged was £4,800 (2019: £4,800) for the period.

During the year, Ensota GZ Ltd, a company under common ownership, made supplies to the company totalling £161,519 (2019: £234,252) and the company made sales to them of £65,050 (2019: £37,541). At the year end, the company owed Ensota GZ Ltd £146,019 (2019: £149,318). Interest of £5,619 (2019: £5,256) was charged on the overdue debt at 6% during the year. At the year end, Ensota GZ Ltd owed the company £13,548 (2019: £19,523) which is included in trade debtors.

During the year, Ensota UK Limited, a company under common control, supplied management services to the company totalling £4,000 (2019: £4,362) which is included in accruals.

13. CONTROLLING PARTY

The parent company is TSC Group Holdings Limited, a company incorporated in the British Virgin Islands. The registered address of the parent company for which consolidated accounts are drawn up is 2nd Floor, Abbot Building, Road Town, Tortola, British Virgin Islands.

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

14. AUDITORS' INFORMATION

These financial statements have been audited by Bishop Fleming Chartered Accountants & Statutory Auditors, with an unqualified audit opinion being issued. The audit report was signed by Mark Munro as Senior Statutory Auditor on 29 September 2021.

In accordance with the provisions applicable to companies subject to the small companies' regime and s444 of the Companies Act 2006, this audit report has not been filed.

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.