

Unaudited Financial Statements
for the Period 1 April 2019 to 7 June 2020
for
CSS Isotek Limited

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**Company Information
for the Period 1 April 2019 to 7 June 2020**

DIRECTORS:

S T Keeble
P M Hisdal
I K Hanson

REGISTERED OFFICE:

Unit 9, Clayton Wood Bank
West Park Ring Road
Leeds
West Yorkshire
LS16 6QZ

REGISTERED NUMBER:

07176384 (England and Wales)

ACCOUNTANTS:

Lindley Adams Limited Chartered Accountants
28 Prescott Street
Halifax
West Yorkshire
HX1 2LG

Balance Sheet
7 June 2020

	Notes	7.6.20 £	£	31.3.19 £	£
FIXED ASSETS					
Intangible assets	4		115,405		139,213
Tangible assets	5		19,496		19,969
			134,901		159,182
CURRENT ASSETS					
Stocks		306,385		17,487	
Debtors	6	471,685		1,487,215	
Cash at bank and in hand		414,839		676,776	
		1,192,909		2,181,478	
CREDITORS					
Amounts falling due within one year	7	579,557		638,105	
NET CURRENT ASSETS			613,352		1,543,373
TOTAL ASSETS LESS CURRENT LIABILITIES			748,253		1,702,555
PROVISIONS FOR LIABILITIES			3,704		3,794
NET ASSETS			744,549		1,698,761
CAPITAL AND RESERVES					
Called up share capital			93		93
Retained earnings			744,456		1,698,668
			744,549		1,698,761

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the period ended 7 June 2020.

The members have not required the company to obtain an audit of its financial statements for the period ended 7 June 2020 in accordance with Section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for:

- (a) ensuring that the company keeps accounting records which comply with Sections 386 and 387 of the Companies Act 2006 and
- (b) preparing financial statements which give a true and fair view of the state of affairs of the company as at the end of each financial year and of its profit or loss for each financial year in accordance with the requirements of Sections 394 and 395 and which otherwise comply with the requirements of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

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

In accordance with Section 444 of the Companies Act 2006, the Income Statement has not been delivered.

The financial statements were approved by the Board of Directors and authorised for issue on 25 October 2021 and were signed on its behalf by:

S T Keeble - Director

1. STATUTORY INFORMATION

CSS Isotek Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with the provisions of Section 1A "Small Entities" of Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

The financial statements are presented in £ sterling and rounded to the nearest £.

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Patents and licences are being amortised evenly over their estimated useful life of ten years.

Computer software is being amortised evenly over its estimated useful life of three years.

Internally generated intangible assets

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

Patent costs and the attributable development costs are recognised as intangible assets when feasibility has been established. These are measured initially at cost and amortised to the profit and loss account over the estimated useful economic life. The company has committed technical, financial and other resources to complete the development and it is probable that the asset will generate probable future economic benefits. The development costs capitalised include the cost of materials and direct labour costs incurred up to the date the asset is available for use.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Plant and machinery	- Straight line over 5 years
Fixtures and equipment	- Straight line over 7 years
Computer equipment	- Straight line over 3 years

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Financial instruments

Basic financial instruments are recognised at amortised cost, except for investments in non-puttable ordinary shares which are measured at fair value, with changes recognised in profit or loss.

2. ACCOUNTING POLICIES - continued

Taxation

Taxation for the period comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the period end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

Fixed asset investments

Investments in joint ventures are measured under the cost model, at cost less impairment.

Leasing

Rentals payable under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Current asset investments

Investment in listed shares are measured at fair value, with changes recognised in profit or loss.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the period was 18 (2019 - 19) .

Notes to the Financial Statements - continued
for the Period 1 April 2019 to 7 June 2020

4. INTANGIBLE FIXED ASSETS

	Other intangible assets £
COST	
At 1 April 2019 and 7 June 2020	<u>193,830</u>
AMORTISATION	
At 1 April 2019	54,617
Charge for period	<u>23,808</u>
At 7 June 2020	<u>78,425</u>
NET BOOK VALUE	
At 7 June 2020	<u>115,405</u>
At 31 March 2019	<u>139,213</u>

5. TANGIBLE FIXED ASSETS

	Plant and machinery £	Fixtures and equipment £	Computer equipment £	Totals £
COST				
At 1 April 2019	27,067	12,366	57,174	96,607
Additions	<u>16,701</u>	-	-	<u>16,701</u>
At 7 June 2020	<u>43,768</u>	<u>12,366</u>	<u>57,174</u>	<u>113,308</u>
DEPRECIATION				
At 1 April 2019	17,424	6,838	52,376	76,638
Charge for period	<u>10,212</u>	<u>2,164</u>	<u>4,798</u>	<u>17,174</u>
At 7 June 2020	<u>27,636</u>	<u>9,002</u>	<u>57,174</u>	<u>93,812</u>
NET BOOK VALUE				
At 7 June 2020	<u>16,132</u>	<u>3,364</u>	-	<u>19,496</u>
At 31 March 2019	<u>9,643</u>	<u>5,528</u>	<u>4,798</u>	<u>19,969</u>

6. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	7.6.20 £	31.3.19 £
Trade debtors	157,104	270,672
Other debtors	120,410	999,243
Tax recoverable	65,336	150,580
VAT	69,796	5,377
Prepayments	<u>59,039</u>	<u>61,343</u>
	<u>471,685</u>	<u>1,487,215</u>

Notes to the Financial Statements - continued
for the Period 1 April 2019 to 7 June 2020

7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	7.6.20	31.3.19
	£	£
Trade creditors	148,773	83,403
Overseas tax due	2,739	9,478
Other creditors	166,647	2,403
Accrued expenses	261,398	542,821
	<u>579,557</u>	<u>638,105</u>

8. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	7.6.20	31.3.19
	£	£
Within one year	76,353	76,915
Between one and five years	23,845	114,658
	<u>100,198</u>	<u>191,573</u>

9. PENSION COMMITMENTS

The company operates a defined contribution pension scheme for the directors and employees. The assets of the scheme are held separately from those of the company in an independently administered fund. At the balance sheet date there were no unpaid contributions due to the fund (2019: nil).

10. GUARANTEES AND OTHER FINANCIAL COMMITMENTS

Total financial commitments, guarantees and contingencies which are not included in the balance sheet amount to £100,198 (2018 - £191,573).

11. RELATED PARTY DISCLOSURES

Professor J D Rhodes and his immediate family hold 61% of the issued ordinary shares in Isotek Microwave Limited and 55% of the issued ordinary shares in this company up to 8th June 2020. All of the shares in CSS Isotek Limited were acquired by Connector Subsea Solutions AS (Norway) on 8th June 2020.

Included in administrative expenses is an exceptional item for bad debts written off. This was a loan to Isotek Microwave Limited amounting to £765,746 (2019 included in debtors: 835,009). In addition to this, during the year the company recharged £33,670 (2019: £28,860) in respect of management charges to Isotek Microwave Limited. Also, £17,500 (2019: £15,000) was recharged for the costs of a building sub-let to Isotek Microwave Limited by the company.

12. POST BALANCE SHEET EVENTS

On 8th June all of the shares in the company were sold to Connector Subsea Solutions AS (Norway).

The directors are unable to confirm that the company has sufficient resources to function for a 12 month period following the signing of these accounts.

Directors' Responsibilities Statement
on the Unaudited Financial Statements of
CSS Isotek Limited

The following reproduces the text of the report prepared for the directors and members in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

We confirm that as directors we have met our duty in accordance with the Companies Act 2006 to:

- ensure that the company has kept proper accounting records;
- prepare financial statements which give a true and fair view of the state of affairs of the company as at 7 June 2020 and of its loss for that period in accordance with United Kingdom Generally Accepted Accounting Practice; and
- follow the applicable accounting policies, subject to any material departures disclosed and explained in the notes to the financial statements.

ON BEHALF OF THE BOARD:

S T Keeble - Director

25 October 2021

The following reproduces the text of the report prepared for the directors in respect of the company's annual unaudited financial statements. In accordance with the Companies Act 2006, the company is only required to file a Balance Sheet. Readers are cautioned that the Income Statement and certain other primary statements and the Report of the Directors are not required to be filed with the Registrar of Companies.

We have reviewed the financial statements of for the period ended 7 June 2020, which comprise the Income Statement, Balance Sheet and the related notes 1 to 14. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

This report is made solely to the company's directors, as a body, in accordance with our terms of engagement. Our review has been undertaken so that we might state to the directors those matters that we have agreed with them in our engagement letter 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 directors as a body for our work, for this report or the conclusions we have formed.

Directors' responsibility for the financial statements

As explained more fully in the Directors' Responsibilities Statement set out on page nine, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Accountants' responsibility

Our responsibility is to express a conclusion based on our review of the financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), 'Engagements to review historical financial statements' and ICAEW Technical Release TECH 09/13AAF 'Assurance review engagements on historical financial statements'. ISRE 2400 also requires us to comply with the ICAEW Code of Ethics.

Scope of the assurance review

A review of financial statements in accordance with ISRE 2400 (Revised) is a limited assurance engagement. We have performed additional procedures to those required under a compilation engagement. These primarily consist of making enquiries of management and others within the entity, as appropriate, applying analytical procedures and evaluating the evidence obtained. The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing (UK and Ireland). Accordingly, we do not express an audit opinion on these financial statements.

Basis for Qualified Conclusion

Work in progress is carried at £293,938 on the Balance Sheet, no deferred income is recorded. We were unable to obtain information to confirm the carrying amount of work in progress or the existence of any deferred income as at 7th June 2020. We were unable to perform the procedures we considered necessary or satisfy ourselves by alternative means using other assurance procedures. Consequently, we were unable to determine whether any adjustments to the amounts were necessary.

Material Uncertainty Related to Going Concern

We draw attention to Note 12 in the financial statements, a material uncertainty exists, this may cast significant doubt on the company's ability to continue as a going concern. Our conclusion is not modified in respect of this matter.

Qualified Conclusion

Based on our review, except for the possible effects of the matter described in the Basis for Qualified Conclusion paragraph, nothing has come to our attention that causes us to believe that the financial statements have not been prepared:

- so as to give a true and fair view of the state of the company's affairs as at 7 June 2020 and of its loss for the period then ended;
- in accordance with United Kingdom Generally Accepted Accounting Practice; and
- in accordance with the requirements of the Companies Act 2006.

Independent Chartered Accountants' Review Report to the Directors of
CSS Isotek Limited

Lindley Adams Limited Chartered Accountants
28 Prescott Street
Halifax
West Yorkshire
HX1 2LG

26 October 2021

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.