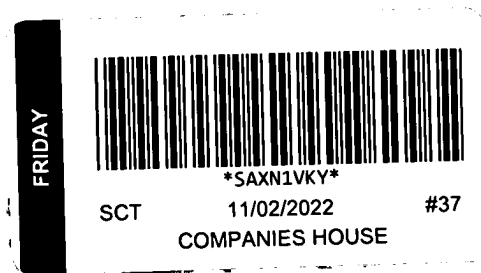


**RETRONIX LTD.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2021**



Retronix Ltd.
Financial Statements
For The Year Ended 31 August 2021

Contents

	Page
Statement of Financial Position	2–3
Notes to the Financial Statements	4–9

Retronix Ltd.
Statement of Financial Position
As at 31 August 2021

Registered number: SC131176

	Notes	2021		2020	
		£	£	£	£
FIXED ASSETS					
Intangible Assets	5		2,627		-
Tangible Assets	6		1,652,995		1,006,682
			<u>1,655,622</u>		<u>1,006,682</u>
CURRENT ASSETS					
Stocks	7	2,948		79,802	
Debtors	8	3,286,933		3,199,038	
Cash at bank and In hand		1,303,383		632,840	
		<u>4,593,264</u>		<u>3,911,680</u>	
Creditors: Amounts Falling Due Within One Year	9	(1,227,460)		(942,278)	
NET CURRENT ASSETS (LIABILITIES)			<u>3,365,804</u>		<u>2,969,402</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>5,021,426</u>		<u>3,976,084</u>
Creditors: Amounts Falling Due After More Than One Year	10		<u>(380,564)</u>		<u>(125,499)</u>
PROVISIONS FOR LIABILITIES					
Deferred Taxation	12		(215,701)		(108,332)
NET ASSETS			<u>4,425,161</u>		<u>3,742,253</u>
CAPITAL AND RESERVES					
Called up share capital	13		100,000		100,001
Income Statement			4,325,161		3,642,252
SHAREHOLDERS' FUNDS			<u>4,425,161</u>		<u>3,742,253</u>

Retronix Ltd
Statement of Financial Position (continued)
As at 31 August 2021

Directors' responsibilities:

- These accounts have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.
- The company has taken advantage of section 444(1) of the Companies Act 2006 and opted not to deliver to the registrar a copy of the company's Income Statement.

On behalf of the board:

DocuSigned by:

026601E727C465

A P Boswell

Director

28/01/2022

The notes on pages 4 to 10 form part of these financial statements.

Retronix Ltd.
Notes to the Financial Statements
For The Year Ended 31 August 2021

1. Accounting Policies

1.1. Basis of Preparation of Financial Statements

The financial statements are prepared under the historical cost convention and in accordance with the FRS 102 Section 1A Small Entities - The Financial Reporting Standard applicable in the UK and Republic of Ireland and the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

1.2. Significant judgements and estimations

Judgements and key sources of estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

Depreciation of fixed assets

Fixed assets are depreciated over the useful life of the assets. The useful lives of fixed assets are based on the knowledge of senior management, with reference to the assets expected life cycle.

1.3. Turnover

Turnover represents the value, net of value added tax and discounts, of goods provided to customers and work carried out in respect of services provided to customers.

1.4. Intangible Fixed Assets and Amortisation - Other Intangible

Other intangible assets represents Patents applied for, no amortisation is considered necessary at this time.

1.5. Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of the fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Leasehold Improvements	10% straight line
Plant & Machinery	20% reducing balance (Cycles 100% straight line)
Motor Vehicles	25% straight line

1.6. Leasing and Hire Purchase Contracts

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives. Assets acquired under hire purchase contracts 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 the creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to profit and loss account as incurred.

1.7. Stocks and Work in Progress

Stocks and Work in Progress is valued at the lower of cost and net realisable value.

1.8. Foreign Currencies

Monetary 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 ruling on the date of the transaction. Exchange differences are taken into account in arriving at the operating profit.

Retronix Ltd.
Notes to the Financial Statements (continued)
For The Year Ended 31 August 2021

1.9. Taxation

The charge for taxation takes into account taxation deferred as a result of timing differences between the treatment of certain items for taxation and accounting purposes. In general, deferred taxation is recognised in respect of timing differences that have originated but not reversed at the balance sheet date. However, deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Deferred taxation is measured on a non-discounted basis at the tax rates that are expected to apply in periods in which the timing differences reverse, based on tax rates and the law enacted or substantively enacted at the balance sheet date.

1.10. Pensions

The company operates a defined pension contribution scheme. Contributions are charged to the profit and loss account as they become payable in accordance with the rules of the scheme.

1.11. Government Grant

Government grants relating to tangible fixed assets are treated as deferred income and when specified conditions are met, released to the profit and loss account over the expected useful lives of the asset concerned. Other grants are credited to the profit and loss account as the related expenditure is incurred.

1.12. Registrar Filing Requirements

The company has taken advantage of Companies Act 2006 section 444(1) and opted not to file the income statement, directors report, and notes to the financial statements relating to the income statement. The notes which are not included have been hidden but original note numbering has remained the same for those that are present.

3. Average Number of Employees

Average number of employees, including directors, during the year was as follows:

	2021	2020
Average no of employees	77	69
	<u>77</u>	<u>69</u>

5. Intangible Assets

	Patents
	£
Cost	
As at 1 September 2020	-
Additions	2,627
As at 31 August 2021	<u>2,627</u>
Net Book Value	
As at 31 August 2021	<u>2,627</u>
As at 1 September 2020	<u>-</u>

Retronix Ltd.
Notes to the Financial Statements (continued)
For The Year Ended 31 August 2021

6. Tangible Assets

	Land & Property Leasehold Improvements	Plant & Machinery	Motor Vehicles	Total
	£	£	£	£
Cost				
As at 1 September 2020	300,427	2,561,210	17,954	2,879,591
Additions	116,378	776,095	-	892,473
As at 31 August 2021	416,805	3,337,305	17,954	3,772,064
Depreciation				
As at 1 September 2020	37,590	1,823,204	12,115	1,872,909
Provided during the period	35,168	209,532	1,460	246,160
As at 31 August 2021	72,758	2,032,736	13,575	2,119,069
Net Book Value				
As at 31 August 2021	344,047	1,304,569	4,379	1,652,995
As at 1 September 2020	262,837	738,006	5,839	1,006,682

Included above are assets held under finance leases or hire purchase contracts with a net book value as follows:

	2021	2020
	£	£
Plant & Machinery	345,248	209,420
	345,248	209,420
7. Stocks		
	2021	2020
	£	£
Stock - materials and work in progress	2,948	79,802
	2,948	79,802

Retronix Ltd.
Notes to the Financial Statements (continued)
For The Year Ended 31 August 2021

8. Debtors

	2021	2020
	£	£
Due within one year		
Trade debtors	817,120	777,802
Other debtors	235,126	289,618
Corporation tax recoverable assets	-	80,601
Amounts owed by group undertakings & undertakings in which the company has a participating interest	190,518	63,618
	1,242,764	1,211,639
Due after more than one year		
Other debtors	1,375,154	1,375,154
Amounts owed by group undertakings & undertakings in which the company has a participating interest	669,015	612,245
	2,044,169	1,987,399
	3,286,933	3,199,038

9. Creditors: Amounts Falling Due Within One Year

	2021	2020
	£	£
Net obligations under finance lease and hire purchase contracts	80,797	40,000
Trade creditors	198,559	138,430
Bank loans and overdrafts	10,000	50,000
Corporation tax	189,435	151,754
Other taxes and social security	72,534	37,121
Other creditors	637,895	524,973
Accrued Dividends	38,240	-
	1,227,460	942,278

10. Creditors: Amounts Falling Due After More Than One Year

	2021	2020
	£	£
Net obligations under finance lease and hire purchase contracts	112,228	16,667
Bank loans	40,000	-
Government grants after one year	228,336	108,832
	380,564	125,499

Retronix Ltd.
Notes to the Financial Statements (continued)
For The Year Ended 31 August 2021

11. Obligations Under Finance Leases and Hire Purchase

	2021	2020
	£	£
The maturity of these amounts is as follows:		
Amounts Payable:		
Within one year	80,797	40,000
Between one and five years	112,228	16,667
	193,025	56,667
	193,025	56,667

12. Deferred Taxation

The provision for deferred taxation is made up of accelerated capital allowances

	2021	2020
	£	£
Deferred tax	215,701	108,332
	<u>215,701</u>	<u>108,332</u>

13. Share Capital

		2021	2020
Allotted, Called up and fully paid		100,000	100,001
	Value	Number	2021
	£		£
Allotted, called up and fully paid			
Ordinary Shares	1	100,000	100,000
Preference Shares		0	1
		<u>100,000</u>	<u>100,001</u>

The preference share was redeemed by the company at par.

14. Capital Commitments

At the end of the period, the company had capital commitments contracted for but not provided in these financial statements.

A new air conditioning system was installed in September 2021 with a total anticipated cost of £90,000. Electrical work costing £6,099 has been carried out and paid for before the year end and included in Property Improvements. The balance of £83,901 will be billed upon completion.

15. Directors Advances, Credits and Guarantees

Included within Creditors are the following loans to directors:

A P Boswell and K E Boswell operate a joint Directors Loan Account. Opening balance at 1 September 2020 £19, amounts advanced (£328,726), amounts repaid £328,707, closing creditor at 31 August 2021 £Nil.

The maximum amount due by A P Boswell and K E Boswell to the company during the year was £321,069 (2020: £175,981).

The company rents property, which is owned by A P Boswell and K E Boswell's Self-Invested Personal Pension (SIPP). During the year, rent payments amounted to £123,548 (2020: £100,000).

Retronix Ltd.
Notes to the Financial Statements (continued)
For The Year Ended 31 August 2021

16. Dividends

	2021	2020
	£	£
On equity shares:		
Final dividend paid	416,668	176,000
	416,668	176,000

17. Related Party Transactions

The following balances are included within debtors at note 8. These companies are all related to Retronix Limited through common control or common directorships:

Retronix International Inc: £92,418 (2020: £7,106). Recharges during the year amounted to £646,816 (2020: £430,698). Payments received during the year amounted to £561,504 (2020: £446,349).

UTeach Limited: £669,015 (2020: £612,245). This balance has arisen due to recharges made by Retronix Limited £56,770 (2020: £86,945). Payments of £Nil (2020: £60,000) have been received during the year in respect of these recharges.

Retronix Semiconductor Limited (UK): £Nil (2020: £Nil). There was no trading activity between companies during the year and operations are being wound down.

Retronix Semiconductor Limited (IRL): £37,793 (2020: £35,823). Retronix Limited made management charges and charges for trading support costs amounting to £303,697 (2020: £300,848). Payments received in respect of these charges during the year amounted to £301,727 (2020: £295,287).

Retronix Oil and Gas Limited: £Nil (2020: £Nil). Recharges during the year amounted to £301 (2020: £302). Payments received during the year amounted to £Nil (2020: £Nil). Operations are being wound down and £301 (2020: £302) has been written off as a bad debt.

Semicon Services LLC: £Nil (2020: £Nil). Recharges during the year amounted to £Nil (2020: £Nil). Payments received during the year amounted to £Nil (2020: £Nil).

Retronix Mexico SA de CV: £Nil (2020: £Nil). Invoices received from Mexico amounted to £Nil (2020: £Nil). Re-charges during the year amounted to £Nil (2020: £Nil). Payments received during the year amounted to £Nil (2020: £Nil).

Retronix Global Inc: £60,305 (2020: £20,689). Re-charges during the year amounted to £39,616 (2020: £Nil). Payments received during the year amounted to £Nil (2020: £Nil).

Retronix Litho: £Nil (2020: £Nil). Retronix Limited made management charges and charges for trading support costs amounting to £15,167 (2020: £Nil). Payments received in respect of these charges during the year amounted to £15,167 (2020: £Nil). There was no other trading activity between the companies during the year. Bad debts of £13 (2020: £13) have been written off during the year.

18. Prior Year Adjustment

The comparative year within these financial statements has been restated to correctly represent income and expenditure in relation to furlough income that was received during the year ended 2020 but netted off against wages and salaries expenditure in the prior year financial statements. This has resulted in an increase in other operating income of £153,795 and an increase in wages and salaries expenditure of £153,795. There is no financial impact on the balance sheet as a result of this adjustment.

19. Audit Information

As the income statement has been omitted from the filing copy of the financial statements, the following information in relation to the audit report on the statutory financial statements is provided in accordance with s444(5B) of the Companies Act 2006.

The auditors report on the account of Retronix Ltd. for the year ended 31 August 2021 was unqualified.

The auditor's report was signed by Claire Dalrymple FCCA (Senior Statutory Auditor) for and on behalf of Wylie & Bisset (Audit) Limited, Statutory Auditor

Wylie & Bisset (Audit) Limited
 168 Bath Street
 Glasgow
 G2 4TP

20. General Information

Retronix Ltd. is a private company, limited by shares, incorporated in Scotland, registered number SC131176. The registered office is North Caldeen Road, Coatbridge, Lanarkshire, ML5 4EF.