

Registered number: 10485668

COMMODITY TECHNICAL SERVICES LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

INFORMATION FOR FILING WITH THE REGISTRAR

FOR THE YEAR ENDED 31 MARCH 2020



COMMODITY TECHNICAL SERVICES LIMITED
REGISTERED NUMBER: 10485668

BALANCE SHEET
AS AT 31 MARCH 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	4	49,045	106,346
		<u>49,045</u>	<u>106,346</u>
Current assets			
Debtors: amounts falling due within one year	5	31,277	40,868
Cash at bank and in hand	6	21,025	6,082
		<u>52,302</u>	<u>46,950</u>
Creditors: amounts falling due within one year	7	(103,031)	(340,441)
Net current liabilities		<u>(50,729)</u>	<u>(293,491)</u>
Total assets less current liabilities		<u>(1,684)</u>	<u>(187,145)</u>
Creditors: amounts falling due after more than one year	8	(17,093)	(44,705)
Net liabilities		<u><u>(18,777)</u></u>	<u><u>(231,850)</u></u>
Capital and reserves			
Called up share capital		100	100
Profit and loss account		(18,877)	(231,950)
		<u><u>(18,777)</u></u>	<u><u>(231,850)</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 A Jordan
 Director

Date: 29 October 2020

The notes on pages 2 to 9 form part of these financial statements.

COMMODITY TECHNICAL SERVICES LIMITED

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

1. General information

Commodity Technical Services Limited is a limited liability Company incorporated in England and Wales. The Company was incorporated on 18 November 2016 under the Company registration number 10485668. The registered office is Commodity House, Braxted Park Road, Great Braxted, Witham, Essex, CM8 3EW.

The financial statements are presented in pound sterling which is the functional currency of the Company and have been rounded to the nearest pound.

The significant accounting policies applied in the presentation of these financial statements are set out below.

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 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 the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- 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 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Commodity Centre (Group) Limited as at 31 March 2020 and these financial statements may be obtained from Companies House.

COMMODITY TECHNICAL SERVICES LIMITED

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

2. Accounting policies (continued)

2.3 Going concern

The COVID-19 pandemic and the ensuing economic shutdown has had an impact on the Company's operations, but the Directors have taken necessary actions to safeguard our employees whilst maintaining as much of our operational function as possible. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity which includes financial support from Commodity Centre (Group) Limited, the Directors have concluded that there are no adjusting post balance sheet events and that there is no material uncertainty in relation to going concern. As such the Directors continue to adopt the going concern basis in preparing the annual report and accounts, which is also dependent on the continued financial support of the Company's fellow subsidiaries and parent Company.

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. The following criteria must also be met before revenue is recognised:

Technical and associated warehousing services

Revenue is recognised based on the period when the services are completed.

2.5 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.

2.6 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

2.7 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.

COMMODITY TECHNICAL SERVICES LIMITED

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

2. Accounting policies (continued)**2.7 Tangible fixed assets (continued)**

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	- 20% straight line
Computer equipment	- 20% 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.

2.8 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 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.

COMMODITY TECHNICAL SERVICES LIMITED

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

2. Accounting policies (continued)

2.11 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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

3. Employees

The average monthly number of employees, including Directors, during the year was 6 (2019 - 10).

COMMODITY TECHNICAL SERVICES LIMITED

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

4. Tangible fixed assets

	Plant and machinery £	Computer equipment £	Total £
Cost or valuation			
At 1 April 2019	120,839	1,721	122,560
Additions	1,624	-	1,624
Transfers intra group	(43,578)	-	(43,578)
Disposals	(3,244)	(1,721)	(4,965)
At 31 March 2020	75,641	-	75,641
Depreciation			
At 1 April 2019	15,958	256	16,214
Charge for the year on owned assets	22,519	287	22,806
Transfers intra group	(10,854)	-	(10,854)
Disposals	(1,027)	(543)	(1,570)
At 31 March 2020	26,596	-	26,596
Net book value			
At 31 March 2020	49,045	-	49,045
At 31 March 2019	104,881	1,465	106,346

COMMODITY TECHNICAL SERVICES LIMITED

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

5. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	31,026	35,790
Amounts owed by group undertakings	-	1,703
Prepayments and accrued income	251	3,375
	<u>31,277</u>	<u>40,868</u>

6. Cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	21,025	6,082
	<u>21,025</u>	<u>6,082</u>

7. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	18,658	24,149
Amounts owed to group undertakings	-	279,028
Other Creditors	2,929	3,217
Obligations under finance lease and hire purchase contracts	30,482	29,847
Accruals and deferred income	50,962	4,200
	<u>103,031</u>	<u>340,441</u>

An unlimited multilateral guarantee is in place between Commodity Centre (Group) Limited, Commodity Centre Limited, Routebuy Limited, Commodity Centre UK Limited, Commodity Centre Europe Limited, Commodity Technical Services Limited, Commodity Centre Property Holdings Limited, Quantuvis Limited, Commodity Centre Falcon Terminal Limited and Commodity Store Limited.

COMMODITY TECHNICAL SERVICES LIMITED

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

8. Creditors: amounts falling due after more than one year

	2020 £	2019 £
Net obligations under finance leases and hire purchase contracts	17,093	44,705
	<u>17,093</u>	<u>44,705</u>

9. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Within one year	30,482	29,847
Between 1-5 years	17,093	44,705
	<u>47,575</u>	<u>74,552</u>

10. Prior year adjustment

The results for the year ended 31 March 2019 have been adjusted to reflect a change in classification of expenditure. Consequently, cost of sales have increased by £124,103 and administrative expenses have decreased by an equal amount.

11. Related party transactions

The Company has taken advantage of the exemption in Section 33.1A in FRS 102 from the requirement to disclose transactions entered into between wholly owned members of the Group.

All related party transactions are considered to be concluded under normal market conditions. The Company has therefore taken advantage of the reduced disclosures available under FRS 102 Section 1A.

12. Post balance sheet events

The COVID-19 pandemic and the ensuing economic shutdown has had an impact on the Company's operations, but the Directors have taken necessary actions to safeguard our employees whilst maintaining as much of our operational function as possible. In response to the COVID-19 pandemic, the Directors have performed a robust analysis of forecast future cash flows taking into account the potential impact on the business of possible future scenarios arising from the impact of COVID-19. This analysis also considers the effectiveness of available measures to assist in mitigating the impact.

Based on these assessments and having regard to the resources available to the entity which includes financial support from Commodity Centre (Group) Limited, the Directors have concluded that there are no adjusting post balance sheet events and that there is no material uncertainty in relation to going concern.

COMMODITY TECHNICAL SERVICES LIMITED

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

13. Controlling party

The Company is a subsidiary of Commodity Centre (Group) Limited, a company incorporated in England and Wales. Commodity Centre (Group) Limited is the parent of the smallest group for which consolidated financial statements are drawn up and made publicly available. The registered office is Commodity House, Braxted Road, Great Braxted, Essex, CM8 3EW.

14. Auditor's information

The auditor's report on the financial statements for the year ended 31 March 2020 was unqualified.

The audit report was signed on 13 November 2020 by Mike Kay BSc FCA CF (Senior Statutory Auditor) on behalf of MHA MacIntyre Hudson.