REGISTERED NUMBER: 04220106 (England and Wales)

UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2019

FOR

ENSILICA LIMITED

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FOR THE YEAR ENDED 31 MAY 2019

ENSILICA LIMITED

COMPANY INFORMATION
FOR THE YEAR ENDED 31 MAY 2019

DIRECTORS:	I W E Lankshear M N Hodgkins
REGISTERED OFFICE:	West Forest Gate Wellington Road Wokingham Berkshire RG40 2AT
REGISTERED NUMBER:	04220106 (England and Wales)
ACCOUNTANTS:	Hackett Griffey LLP Chartered Certified Accountants 31 High Street Haverhill Suffolk CB9 8AD

BALANCE SHEET
31 MAY 2019

	Notes	2019 £	2019 £	2018 £	2018 £
FIXED ASSETS					
Intangible assets	4		4,052,651		1,684,877
Tangible assets	5		77,215		53,829
Investments	6		102		102
			4,129,968		1,738,808
CURRENT ASSETS					
Stocks		611,699		29,689	
Debtors	7	1,909,323		2,629,773	
Cash at bank and in hand		319,249		406,476	
		2,840,271		3,065,938	
CREDITORS					
Amounts falling due within one year	8	1,310,420		1,158,400	
NET CURRENT ASSETS			1,529,851		1,907,538
TOTAL ASSETS LESS CURRENT LIABILITIES			5,659,819		3,646,346
CREDITORS					
Amounts falling due after more than one year	9		(6,707)		-
PROVISIONS FOR LIABILITIES			(884,471)		(430,106)
NET ASSETS			4,768,641		3,216,240
CAPITAL AND RESERVES					
Called up share capital			1,973		1,973
Retained earnings			4,766,668		3,214,267
SHAREHOLDERS' FUNDS			4,768,641		3,216,240

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 May 2019.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 May 2019 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 notes form part of these financial statements

continued...

BALANCE SHEET - continued
31 MAY 2019

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 on 24 February 2020 and were signed on its behalf by:

I W E Lankshear - Director

M N Hodgkins - Director

1. STATUTORY INFORMATION

Ensilica 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.

The presentation currency of the financial statements is the Pound Sterling (£).

2. ACCOUNTING POLICIES

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

Preparation of consolidated financial statements
The financial statements contain information about Ensilica Limited as an individual company and do not contain consolidated financial information as the parent of a group. The company is exempt under Section 399(2A) of the Companies Act 2006 from the requirements to prepare consolidated financial statements.

Revenue recognition
Revenue is recognised to the extent that the company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty.

Sale of goods
Revenue from the sale of goods or services is recognised when the significant risks and rewards of ownership of the goods or services have passed to the buyer, usually on dispatch of the goods or provision of the service and the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

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

Office equipment	- 25% on reducing balance
Computer equipment	- 33% on cost

Investments in subsidiaries
Investments in subsidiary undertakings are recognised at cost, less provision for impairment.

Stocks and work in progress
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.

Stocks are valued at the lower of cost and net realisable value. Cost includes all directly attributable costs incurred in bringing each product to its present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred in completion and sale.

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2. **ACCOUNTING POLICIES - continued**

Financial instruments

Debt finance
Debt finance is considered to be basic financial instruments and initially recorded at the present value of future payments discounted at the market rate of interest. Subsequently, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents
Cash and cash equivalents in the balance sheet comprise cash at banks and in hand and short term deposits with an original maturity date of three months or less.

Taxation
Taxation for the year 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 year 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.

Research and development
Development costs are incurred solely for the purpose of the design and supply of the end customer chip to a customer who will use such a chip as a basis for an end product for its customer.

The capitalisation of development costs is subject to a degree of judgement in respect of the viability of new technology and know-how, supported by the results of testing and customer trials and by forecasts for the overall value and timing of sales which may be impacted by other future factors which could impact the assumptions made.

Amortisation commences once management consider that the asset is available for use, ie when it it is judged to be in the location and condition necessary for it to be capable of operating in the manner intended by management and the cost amortised over the estimated useful life of the know-how based on expected customer product cycles and lives.

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.

Leasing commitments
Rentals under operating leases are charged to the profit and loss account on a straight line basis over the lease period. Where assets are financed by leasing agreements ('finance leases') the assets are included in the balance sheet at cost less depreciation in accordance with the company's normal accounting policies. Obligations under such agreements are included in creditors net of finance charges allocated to future periods.

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2. ACCOUNTING POLICIES - continued

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.

3. EMPLOYEES AND DIRECTORS

The average number of employees during the year was 56 (2018 - 53) .

4. INTANGIBLE FIXED ASSETS

	Development costs £
COST	
At 1 June 2018	1,684,877
Additions	2,367,774
At 31 May 2019	4,052,651
NET BOOK VALUE	
At 31 May 2019	4,052,651
At 31 May 2018	1,684,877

Development costs represent expenditure on individual projects which is carried forward when its future recoverability can be foreseen with reasonable assurance and is amortised in line with sales from the related projects. These are considered to be special circumstances why capitalised development costs are not to be treated as a realised loss when determining distributable reserves.

5. TANGIBLE FIXED ASSETS

	Office equipment £	Computer equipment £	Totals £
COST			
At 1 June 2018	35,764	207,173	242,937
Additions	10,568	21,234	31,802
Disposals	(3,787)	(2,107)	(5,894)
At 31 May 2019	42,545	226,300	268,845
DEPRECIATION			
At 1 June 2018	30,470	158,638	189,108
Charge for year	1,577	3,924	5,501
Eliminated on disposal	(2,000)	(979)	(2,979)
At 31 May 2019	30,047	161,583	191,630
NET BOOK VALUE			
At 31 May 2019	12,498	64,717	77,215
At 31 May 2018	5,294	48,535	53,829

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6. FIXED ASSET INVESTMENTS

	Shares in group undertakings £
COST OR VALUATION	
At 1 June 2018 and 31 May 2019	102
NET BOOK VALUE	
At 31 May 2019	102
At 31 May 2018	102

Cost or valuation at 31 May 2019 is represented by:

	Shares in group undertakings £
Valuation in 2016	(26,885)
Valuation in 2017	(6,574)
Cost	33,561
	102

7. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Trade debtors	639,080	1,247,037
Amounts owed by group undertakings	11,131	204,967
Other debtors	71,756	56,926
Taxation	889,576	667,038
VAT	30,752	5,618
Prepayments and accrued income	267,028	448,187
	1,909,323	2,629,773

8. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019 £	2018 £
Other loans	460,004	250,000
Hire purchase contracts	4,734	-
Trade creditors	231,934	293,125
Social security and other taxes	109,600	112,418
Other creditors	4,110	3,567
Directors' loan accounts	28,652	-
Deferred income	13,549	195,773
Accrued expenses	457,837	303,517
	1,310,420	1,158,400

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

	2019	2018
	£	£
Hire purchase contracts	6,707	-

10. SECURED DEBTS

The following secured debts are included within creditors:

	2019	2018
	£	£
Other loans	460,004	250,000
Hire purchase contracts	11,441	-
	471,445	250,000

The loan is secured by a fixed and floating charge over the assets of the company.

11. OTHER FINANCIAL COMMITMENTS

The total amount of commitments, guarantees and contingencies is £193,269 (2018: £246,544).