

Registered number: 02458616

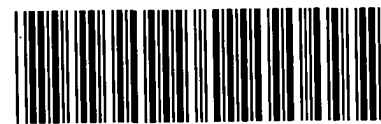
**TECHMAN ENGINEERING LTD.**

**UNAUDITED**

**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**TECHMAN ENGINEERING LTD.**

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**COMPANY INFORMATION**

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**Directors**

G Grohmann  
K Mader  
C Macpherson  
T Walters

**Registered number**

02458616

**Registered office**

Techman House  
Broombank Park  
Chesterfield Trading Estate  
CHESTERFIELD  
Derbyshire  
S41 9RT

**Accountants**

Grant Thornton UK LLP  
Chartered Accountants  
1 Holly Street  
SHEFFIELD  
South Yorkshire  
S1 2GT

**Bankers**

The Royal Bank of Scotland Plc  
2 Whitehill Quay  
LEEDS  
LS1 4HR

**Solicitors**

Pinset Masons LLP  
1 Park Row  
LEEDS  
LS1 5AB

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TECHMAN ENGINEERING LTD.

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**TECHMAN ENGINEERING LTD.**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the financial statements for the year ended 31 December 2020.

**Principal activity**

The principal activity of the Company was the manufacture of down hole drilling tools and the provision of high precision engineering services to the energy and aerospace industries up until 18 February 2019 when a decision was made to discontinue operations of this company. At the end of 2019, the existing order book was fulfilled and shipped to Customers. During this period all employees were made redundant as the level of activity diminished. The plant and equipment was sold either externally or to sister companies. All other equipment and fixtures were also sold. By year end 2019 the business was completely concluded with no employees, no plant and equipment and the building held at its depreciated historic cost.

**Results and dividends**

The loss for the year, after taxation, amounted to £1,189,535 (2019 - £1,591,641).

No dividends were paid during the year (2019 - £nil).

**Directors**

The directors who served during the year were:

G Grohmann  
K Mader  
C Macpherson  
T Walters

**Directors' responsibilities statement**

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 101 'Reduced Disclosure Framework'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**TECHMAN ENGINEERING LTD.**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Strategic report**

The company has taken the exemption available under section 414B of the Companies Act 2006 and has not presented a strategic report.

**Going concern**

The company ceased to trade in the prior year and began the process of selling its assets and settling external liabilities. At 31 December 2020 considerable progress had been made and the company had cash reserves of £4.6m as a result. The assets remaining to be realised in cash were freehold property, sold in January 2021 for £2m, and external net current assets of £61k. The company also has a loan due to its immediate UK parent of £13.8m. The immediate parent (Schoeller-Bleckmann Oilfield Equipment (UK) Limited) has provided a letter of support and subordination confirming that it will not seek repayment of that loan if the company does not have the cash reserves to settle it. Based on that fact pattern the directors have a reasonable expectation that the company will be able to meet any external liabilities from the cash reserves as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

The directors have considered all of the potential impacts of the Covid-19 pandemic on the business. Whilst there is still a significant degree of uncertainty, the directors expect the impact of the pandemic to be minimal and the company is no longer trading.

**Small companies note**

In preparing this report, the directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

This report was approved by the board on 25/6/2021 and signed on its behalf.



**K Mader**  
Director



**Report to the directors on the preparation of the unaudited statutory financial statements of Techman Engineering Ltd. for the year ended 31 December 2020**

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We have compiled the accompanying financial statements of Techman Engineering Ltd. (the 'company') based on the information you have provided. These financial statements comprise the Statement of Financial Position of Techman Engineering Ltd. as at 31 December 2020, and the Profit and Loss Account, the Statement of Comprehensive Income and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

We performed this compilation engagement in accordance with International Standard on Related Services 4410 (Revised), 'Compilation Engagements'.

We have applied our expertise in accounting and financial reporting to assist you in the preparation and presentation of these financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 101 'Reduced Disclosure Framework'. As a member firm of the Institute of Chartered Accountants in England and Wales, we are subject to its ethical and other professional requirements which are detailed at [www.icaew.com](http://www.icaew.com)

These financial statements and the accuracy and completeness of the information used to compile them are your responsibility.

Since a compilation engagement is not an assurance engagement, we are not required to verify the accuracy or completeness of the information you provided to us to compile these financial statements. Accordingly, we do not express an audit opinion or a review conclusion on whether these financial statements are prepared in accordance with United Kingdom Generally Accepted Accounting Practice.

This report is made solely to the company's directors, as a body, in accordance with the terms of our engagement letter dated 23 March 2021. Our work has been undertaken solely to prepare for your approval the financial statements of the company and state those matters that we have agreed to state to the company's directors, as a body, in this report in accordance with our engagement letter dated 23 March 2021. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and its directors, as a body, for our work or for this report.

*Grant Thornton UK LLP*

**Grant Thornton UK LLP**

Chartered Accountants

Sheffield

Date: 25/6/2021

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**TECHMAN ENGINEERING LTD.**

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**PROFIT AND LOSS ACCOUNT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	Note	2020 £	2019 <i>Restated</i> £
Revenue	4	-	3,978,962
Cost of sales		-	(3,539,292)
<b>Gross profit</b>		<u>-</u>	<u>439,670</u>
Administrative expenses		(255,396)	(1,850,284)
Other operating income	5	20,636	65,582
Other operating charges	6	-	(107,723)
<b>Operating loss before exceptional items</b>	7	<u>(234,760)</u>	<u>(1,452,755)</u>
Impairment charge	12	(865,000)	(32,135)
<b>Total operating loss</b>		<u>(1,099,760)</u>	<u>(1,484,890)</u>
Interest payable and similar expenses	10	(89,775)	(106,751)
<b>Loss before tax</b>		<u>(1,189,535)</u>	<u>(1,591,641)</u>
<b>Loss for the financial year</b>		<u><u>(1,189,535)</u></u>	<u><u>(1,591,641)</u></u>

The notes on pages 9 to 22 form part of these financial statements.

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**TECHMAN ENGINEERING LTD.**

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**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Loss for the financial year	<b>(1,189,535)</b>	<b>(1,591,641)</b>
<b>Total comprehensive income for the year</b>	<b><u>(1,189,535)</u></b>	<b><u>(1,591,641)</u></b>

There were no recognised gains and losses for 2020 or 2019 other than those included in the profit and loss account.

The notes on pages 9 to 22 form part of these financial statements.

**TECHMAN ENGINEERING LTD.**  
**REGISTERED NUMBER:02458616**

**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Current assets</b>			
Assets held for sale	12	1,930,000	2,795,000
Debtors: amounts falling due within one year	13	61,248	1,097,470
Cash at bank and in hand		4,595,764	3,938,029
		<u>6,587,012</u>	<u>7,830,499</u>
Creditors: amounts falling due within one year	14	(56,612)	(110,053)
<b>Net current assets</b>		<b>6,530,400</b>	<b>7,720,446</b>
Creditors: amounts falling due after more than one year	15,16	(13,800,000)	(13,800,511)
<b>Net liabilities</b>		<u><b>(7,269,600)</b></u>	<u><b>(6,080,065)</b></u>
<b>Capital and reserves</b>			
Called up share capital	18	100	100
Capital redemption reserve	19	40	40
Profit and loss account	19	(7,269,740)	(6,080,205)
<b>Total equity</b>		<u><b>(7,269,600)</b></u>	<u><b>(6,080,065)</b></u>

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**TECHMAN ENGINEERING LTD.**  
**REGISTERED NUMBER:02458616**

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**STATEMENT OF FINANCIAL POSITION (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

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The directors consider that the company is entitled to exemption from audit under section 479A of the Companies Act 2006 and members have not required the company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements which give a true and fair view of the state of affairs of the company as at 31 December 2020 and of its loss for the year, in accordance with the requirements of sections 394 and 395 of the Act and which otherwise comply with the requirement of the Companies Act 2006 relating to financial statements, so far as applicable to the company.

The company's financial statements have been prepared and delivered in accordance with the provisions applicable to small companies within part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25/6/2021



**K Mader**  
Director

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**TECHMAN ENGINEERING LTD.**


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**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**


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	Called up share capital £	Capital redemption reserve £	Profit and loss account £	Total equity £
<b>At 1 January 2019</b>	<b>100</b>	<b>40</b>	<b>(4,488,564)</b>	<b>(4,488,424)</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,591,641)	(1,591,641)
<b>At 1 January 2020</b>	<b>100</b>	<b>40</b>	<b>(6,080,205)</b>	<b>(6,080,065)</b>
<b>Comprehensive income for the year</b>				
Loss for the year	-	-	(1,189,535)	(1,189,535)
<b>At 31 December 2020</b>	<b>100</b>	<b>40</b>	<b>(7,269,740)</b>	<b>(7,269,600)</b>

The notes on pages 9 to 22 form part of these financial statements.

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**TECHMAN ENGINEERING LTD.**

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

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**1. General information**

Techman Engineering Limited is a private limited company incorporated in England and Wales. Its registered office is Techman House Broombank Park Chesterfield Trading Estate, Sheepbridge, Chesterfield, S41 9RT. The principal activity of the company was the manufacture of down hole drilling tools and the provision of high precision engineering services to the energy and aerospace industries up until 18 February 2019 when a decision was made, to discontinue operations of this company. As a result, during the remainder of 2019 the existing order book was fulfilled and shipped to Customers. During this period all employees were made redundant as the level of activity diminished. The plant and equipment was sold either externally or to sister companies. All other equipment and fixtures were also sold. By year end the business was completely concluded with no employees, no plant and equipment and the building held at its depreciated historic cost.

**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 Financial Reporting Standard 101 'Reduced Disclosure Framework' and the Companies Act 2006. The results of Techman Engineering Limited are included in the consolidated financial statements of Schoeller-Bleckmann Oilfield Equipment AG.

The preparation of financial statements in compliance with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

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**TECHMAN ENGINEERING LTD.**

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

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**2. Accounting policies (continued)**

**2.2 Financial reporting standard 101 - reduced disclosure exemptions**

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the requirements of paragraph 33(c) of IFRS 5 Non Current Assets Held For Sale and Discontinued Operations
- the requirements of IFRS 7 Financial Instruments: Disclosures
- the requirements of the second sentence of paragraph 110 and paragraphs 113(a), 114, 115, 118, 119(a) to (c), 120 to 127 and 129 of IFRS 15 Revenue from Contracts with Customers
- the requirements of paragraph 52, the second sentence of paragraph 89, and paragraphs 90, 91 and 93 of IFRS 16 Leases. The requirements of paragraph 58 of IFRS 16, provided that the disclosure of details in indebtedness relating to amounts payable after 5 years required by company law is presented separately for lease liabilities and other liabilities, and in total
- the requirement in paragraph 38 of IAS 1 'Presentation of Financial Statements' to present comparative information in respect of:
  - paragraph 79(a)(iv) of IAS 1;
- the requirements of paragraphs 10(d), 10(f), 16, 38A, 38B, 38C, 38D, 40A, 40B, 40C, 40D, 111 and 134-136 of IAS 1 Presentation of Financial Statements
- the requirements of IAS 7 Statement of Cash Flows
- the requirements of paragraph 17 and 18A of IAS 24 Related Party Disclosures
- the requirements in IAS 24 Related Party Disclosures to disclose related party transactions entered into between two or more members of a group, provided that any subsidiary which is a party to the transaction is wholly owned by such a member

**Impact of new international reporting standards, amendments and interpretations**

No new or amended standards and interpretations were adopted by the company during the year.

**2.3 Going concern**

The company ceased to trade in the prior year and began the process of selling its assets and settling external liabilities. At 31 December 2020 considerable progress had been made and the company had cash reserves of £4.6m as a result. The assets remaining to be realised in cash were freehold property, sold in January 2021 for £2m, and external net current assets of £61k. The company also has a loan due to its immediate UK parent of £13.8m. The immediate parent (Schoeller-Bleckmann Oilfield Equipment (UK) Limited) has provided a letter of support and subordination confirming that it will not seek repayment of that loan if the company does not have the cash reserves to settle it. Based on that fact pattern the directors have a reasonable expectation that the company will be able to meet any external liabilities from the cash reserves as they fall due. Accordingly, the directors continue to adopt the going concern basis in preparing the annual report and financial statements.

The directors have considered all of the potential impacts of the Covid-19 pandemic on the business. Whilst there is still a significant degree of uncertainty, the directors expect the impact of the pandemic to be minimal as the company is no longer trading.

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**TECHMAN ENGINEERING LTD.**

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

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**2. Accounting policies (continued)****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:

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

**Sale of goods**

Revenue from the sale of goods is recognised on the satisfaction of performance obligations, such as the transfer of a promised good, identified in the contract between the Company and the customer.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

**2.5 Leases****The company as a lessee**

The company assesses whether a contract is or contains a lease, at inception of a contract. The company recognises a right-of-use asset and a corresponding lease liability with respect to all lease agreements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is included in 'Creditors' on the Statement of Financial Position.

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**TECHMAN ENGINEERING LTD.**

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

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**2. Accounting policies (continued)**

**2.5 Leases (continued)**

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The company has used this practical expedient.

**2.6 Assets held for sale**

Assets held for sale are measured at the lower of carrying amount and fair value less costs to sell.

The carrying value of assets held for sale are reviewed for impairment at each reporting date to assess whether events or changes in circumstances indicate the carrying values may not be recoverable and are written down immediately to their recoverable amount. Impairment losses are recognised in the profit and loss account as required by IFRS 5.

**2.7 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.

**2.8 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.

**2.9 Financial instruments**

The company recognises financial instruments when it becomes a party to the contractual arrangements of the instrument. Financial instruments are de-recognised when they are discharged or when the contractual terms expire. The company's accounting policies in respect of financial instruments transactions are explained below:

Financial assets and financial liabilities are initially measured at fair value.

**Financial assets**

All recognised financial assets are subsequently measured in their entirety at either fair value or amortised cost, depending on the classification of the financial assets.

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**TECHMAN ENGINEERING LTD.**

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

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**2. Accounting policies (continued)****2.9 Financial instruments (continued)****Fair value through profit or loss**

All of the company's financial assets other than those which meet the criteria to be measured at amortised cost are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses being recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset.

**Debt instruments at amortised cost**

Debt instruments are subsequently measured at amortised cost where they are financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and selling the financial assets, and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Amortised cost is calculated using the effective interest method and represents the amount measured at initial recognition less repayments of principal plus the cumulative amortisation using the effective interest method of any difference between the initial amount and the maturity amount, adjusted for any loss allowance.

**Impairment of financial assets**

The company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVOCI. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

**Financial liabilities****At amortised cost**

Financial liabilities which are neither contingent consideration of an acquirer in a business combination, held for trading, nor designated as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. This is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate a shorter period, to the amortised cost of a financial liability.

**2.10 Creditors**

Creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers.

Creditors are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

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**TECHMAN ENGINEERING LTD.**

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

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**2. Accounting policies (continued)**

**2.11 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.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Profit and Loss Account within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

**2.12 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.

**2.13 Pensions**

**Defined contribution pension plan**

The Company operated 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 the Profit and Loss Account 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.

**2.14 Borrowing costs**

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

**2.15 Taxation**

Tax is recognised in the Profit and Loss Account, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

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**TECHMAN ENGINEERING LTD.**

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

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**2. Accounting policies (continued)**

**2.16 Research and development**

Research costs are expensed as incurred. Development costs are expenses if the requirements of IAS 38 for capitalisation of development expenses are not fully met.

**3. Judgements in applying accounting policies and key sources of estimation uncertainty**

The preparation of financial information requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenditure. Judgements and estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Management does not deem there to be any significant judgements or assumptions and estimation uncertainties requiring disclosure.

**4. Revenue**

The turnover and loss before tax are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is as follows:

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
United Kingdom	-	2,560,969
Europe	-	789,374
America	-	462,307
Far East	-	32,971
Middle East	-	133,341
	<u>-</u>	<u>3,978,962</u>
	<u><u>-</u></u>	<u><u>3,978,962</u></u>

**5. Other operating income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>Restated</b>
		<b>£</b>
Rents received	-	3,750
Exchange differences	<b>20,636</b>	61,832
	<u><b>20,636</b></u>	<u>65,582</u>
	<u><u><b>20,636</b></u></u>	<u><u>65,582</u></u>

Rents received and gain on exchange differences have been reclassified to other operating income to more accurately reflect the nature of the transaction.

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**TECHMAN ENGINEERING LTD.**

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

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**6. Other operating expense**

	2020 £	2019 <i>Restated</i> £
Loss on sale of fixed assets	-	107,723
	<u>          </u>	<u>          </u>

Rents received and gain on exchange differences have been reclassified to other operating income to more accurately reflect the nature of the transaction.

**7. Operating loss**

The operating loss is stated after charging:

	2020 £	2019 £
Auditors' remuneration - audit services	-	32,000
	<u>          </u>	<u>          </u>

**8. Staff costs**

	2020 £	2019 £
Wages and salaries	-	969,483
Social security costs	344	123,356
Cost of defined contribution scheme	-	18,729
	<u>          </u>	<u>          </u>
	<u>344</u>	<u>1,111,568</u>

The company has no employees other than the directors, who did not receive any remuneration (2019 - 17).

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**TECHMAN ENGINEERING LTD.**

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

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**9. Directors' remuneration**

The remuneration for those directors who are based abroad has been borne by other group companies as they are also directors or officers of a number of the companies within the group. Those directors' services to Techman Engineering Limited do not occupy a significant amount of their time. As such those directors do not consider that they have received any remuneration for their services to the company. Where during the year ended 31 December 2020, those directors received shares in the Schoeller-Bleckmann Oilfield Equipment AG group, these are considered to have been received for their worldwide services to the group and any amounts relating to qualifying services provided to this entity is negligible. Therefore, no further disclosure has been made in these financial statements.

In 2019 there were two directors of the company based in the UK. One director was paid by Techman Engineering Limited until the company ceased to trade last year. This director received total remuneration, including company contributions to defined contribution pension schemes, for the year of £nil (2019 - £131,824). The other director is paid by Schoeller-Bleckmann Oilfield Equipment (UK) Limited, which is the immediate parent company of Techman Engineering Limited. This director received total remuneration, including company contributions to defined contribution pension schemes, for the year of £40,231 (2019 - £38,415). The directors do not believe that it is practicable to apportion this amount between their services as directors of the company and their services as directors of the holding and fellow subsidiary companies.

**10. Interest payable and similar expenses**

	2020 £	2019 £
Other interest payable - IFRS16	57	1,706
Interest on loan from immediate parent undertaking	89,718	105,045
	<u>89,775</u>	<u>106,751</u>

**11. Taxation**

	2020 £	2019 £
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

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**TECHMAN ENGINEERING LTD.**

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

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**11. Taxation (continued)**

The tax assessed for the year is higher than (2019 - *higher than*) the standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%). The differences are explained below:

	2020 £	2019 £
Loss on ordinary activities before tax	<u>(1,189,535)</u>	<u>(1,591,641)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19.00% (2019 - 19.00%)	(226,012)	(302,412)
<b>Effects of:</b>		
Fixed asset differences	165,553	5,599
Expenses not deductible for tax purposes	2,490	2,035
Group relief surrendered	13,136	250,954
Losses eliminated	47,190	-
Adjust closing deferred tax to average rate of 19.00%	-	265,453
Adjust opening deferred tax to average rate of 19.00%	-	(260,840)
Deferred tax not recognised	(2,109)	39,211
Remeasurement of deferred tax for changes in tax rates	(248)	-
<b>Total tax charge for the year</b>	<u>-</u>	<u>-</u>

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FOR THE YEAR ENDED 31 DECEMBER 2020**

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**12. Assets held for sale**

	<b>Assets held for sale £</b>	<b>Total £</b>
<b>Valuation</b>		
At 1 January 2020	2,795,000	2,795,000
	<u>2,795,000</u>	<u>2,795,000</u>
<b>Impairment</b>		
Impairment charge	865,000	865,000
	<u>865,000</u>	<u>865,000</u>
<b>Net book value</b>		
At 31 December 2020	<u>1,930,000</u>	<u>1,930,000</u>
At 31 December 2019	<u>2,795,000</u>	<u>2,795,000</u>

Assets held for sale relates to property which was sold in January 2021.

Assets held for sale include right of use assets. See note 14 for lease liabilities.

**13. Debtors: amounts falling due within one year**

	<b>2020 £</b>	<b>2019 £</b>
Trade debtors	-	186,000
Amounts owed by group undertakings	-	843,666
Other debtors	6,987	-
Prepayments and accrued income	54,261	67,804
	<u>61,248</u>	<u>1,097,470</u>

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**TECHMAN ENGINEERING LTD.**

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**14. Creditors: amounts falling due within one year**

	2020 £	2019 £
Trade creditors	40,345	36,540
Amounts owed to group undertakings	-	6
Other taxation and social security	-	1,958
Lease liabilities	511	6,076
Accruals and deferred income	15,756	65,473
	<u>56,612</u>	<u>110,053</u>

**15. Creditors: amounts falling due after more than one year**

	2020 £	2019 £
Amounts payable to immediate parent undertaking	13,800,000	13,800,000
Lease liabilities	-	511
	<u>13,800,000</u>	<u>13,800,511</u>

**16. Loans**

Analysis of the maturity of loans is given below:

	2020 £	2019 £
<b>Amounts falling due 2-5 years</b>		
Amounts payable to immediate parent undertaking	<u>13,800,000</u>	<u>13,800,000</u>

The £13,800,000 (2019 – £13,800,000) loan from the immediate parent undertaking is unsecured, has no fixed repayments and is repayable by 31 December 2022. Interest is charged at commercial rates determined by the immediate parent undertaking.

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**NOTES TO THE FINANCIAL STATEMENTS  
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**17. Leases**

The company leases various equipment and cars. Rental contracts are typically made for fixed periods of 3 to 7 years but may have extension or early termination options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Lease liabilities are due as follows:

	2020 £	2019 £
Within one year	511	6,076
Between 1-5 years	-	511
	<u>511</u>	<u>6,587</u>

The following amounts in respect of leases, where the company is a lessee, have been recognised in profit or loss:

	2020 £	2019 £
Interest expense on liabilities	<u>57</u>	<u>1,705</u>

The total cash outflow for leases in 2020 was £6,133 (2019 - £107,279).

**Commitments where the lease has not yet commenced**

As at 31 December 2020 there were no leases which the company was committed which had not yet commenced.

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**TECHMAN ENGINEERING LTD.**

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**NOTES TO THE FINANCIAL STATEMENTS  
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**18. Called up share capital**

	2020 £	2019 £
<b>Allotted, called up and fully paid</b>		
10,000 (2019 - 10,000) Ordinary shares of £0.01 each	<u>100</u>	<u>100</u>

**19. Reserves****Capital redemption reserve**

The capital redemption reserve arose in prior years on the redemption of shares. It is non distributable.

**Profit and loss account**

The profit and loss account includes all current and prior period retained profits and losses.

**20. Pension commitments**

The company operates a defined contribution pension scheme for the benefit of its directors and certain employees. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £nil (2019 - £18,729).

**21. Related party transactions**

The company has taken advantage of the exemption under paragraph 8(k) of FRS 101 not to disclose transactions with fellow wholly owned subsidiaries of the Schoeller-Bleckmann Oilfield Equipment AG group. During the course of the year the company entered into transactions in the ordinary course of business, with other related parties.

The company made sales to Schoeller-Bleckmann Darron Limited, a company with the same immediate parent undertaking, of £nil (2019 - £216,098).

The company made sales to Schoeller-Bleckmann Darron (Aberdeen) Limited, a company with the same immediate parent undertaking, of £nil (2019 - £304,817).

Outstanding balances are unsecured, interest free and cash settlement is expected under normal trade terms. The company has not made any provision for doubtful debts related to amounts due from related parties.

**22. Controlling related party**

The company's immediate parent undertaking is Schoeller-Bleckmann Oilfield Equipment (UK) Limited, a company incorporated in the United Kingdom.

The ultimate parent undertaking and controlling party is Schoeller-Bleckmann Oilfield Equipment AG, registered in Austria. Copies of its group financial statements, which include the company, are available from Hauptstrasse 2, Ternitz, A 2630, Austria.