

**EQUI-TREK LIMITED**  
**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND**  
**AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

Sheards  
Chartered Accountants  
& Statutory Auditors  
Vernon House  
40 New North Road  
Huddersfield  
West Yorkshire  
HD1 5LS

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**for the year ended 31 December 2020**

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**EQUI-TREK LIMITED**

**COMPANY INFORMATION**  
**for the year ended 31 December 2020**

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**DIRECTORS:**

Mr R Janion  
Mr T Janion  
Miss L A Earnshaw  
Mr O R Halstead  
Mr C T Herapath

**SECRETARY:**

Miss L A Earnshaw

**REGISTERED OFFICE:**

Montgomery House  
Sheephouse Wood  
Stocksbridge  
Sheffield  
South Yorkshire  
S36 4GS

**REGISTERED NUMBER:**

07983005 (England and Wales)

**AUDITORS:**

Sheards  
Chartered Accountants  
& Statutory Auditors  
Vernon House  
40 New North Road  
Huddersfield  
West Yorkshire  
HD1 5LS

**STRATEGIC REPORT**  
**for the year ended 31 December 2020**

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The directors present their strategic report for the year ended 31 December 2020.

The Company's principal activity continues to be the manufacture and sale of horse trailers and motorised horseboxes. The Company also manufactures trailers and vehicles for an associated company, Moto-Trek Limited. The company's activities remain organised into the following areas:

- Sales of new vehicles
- Sales of used vehicles
- Servicing and repairs
- Sales of spare parts

Our strategic report is consistent with the size and non-complex nature of our business and is written in the context of the risks and uncertainties we face.

**REVIEW OF BUSINESS**

2020 has been a very difficult year in particular for the leisure related business sector. Despite the incidence of the Covid 19 pandemic the business has been able recover from the sudden drop off in sales and orders that started at the end of March 2020 when the impact of the virus caused so much uncertainty in the marketplace.

Tough decisions and strong financial control allowed the business to be put itself in a position to ramp up production when demand started to come back in the last quarter of the year, and improvements in efficiency have contributed to the business being able to achieve a reasonable reported profit in very challenging circumstances.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The effects of the Covid 19 pandemic are ongoing but have been mitigated by our internal control measures, business efficiencies and increasing consumer confidence. There was no additional impact on the business of the second covid lock down, and indeed we have a very strong order book with increasing enquiries about our product range. We thus have no concerns on demand for our products.

Management of the supply chain continues to be challenging due to availability of raw materials throughout the world. Our strategy has been to maintain strong relationships with existing suppliers and, at the same time, to remove any dependencies by developing new sources of supply.

**STRATEGY**

The steps taken during the year to mitigate the effects of the Covid 19 pandemic were effective as the core of the business was protected, and thus enabled production to be quickly restarted as demand increased towards the end of the year. Measures necessary to ensure the health and safety of employees (and thus the business) will continue.

In the coming year, the company will continue to strive to become more efficient in its production process and achieve ever greater improvements in quality. As part of that process, there is an ongoing strategy of increasing and up-skilling the senior management team to drive and develop the business and its processes.

**STRATEGIC REPORT**  
**for the year ended 31 December 2020**

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**FUTURE DEVELOPMENTS**

In the current climate, with these risks and uncertainties in mind, we are aware that any plans for the future development of the business may be subject to unforeseen events outside of our control. We will continue to explore new opportunities where they will strengthen our position.

In the coming year we aim to continue and develop our relationships with distributors, both in the UK and Europe, to generate new business where possible and increasing customer retention levels, as well as continuing to undertake measures to improve efficiency and product quality.

**ON BEHALF OF THE BOARD:**

Mr T Janion - Director

27 July 2021

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2020**

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The directors present their report with the financial statements of the company for the year ended 31 December 2020.

**DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2020 will be £106,613.

**DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

Mr R Janion  
Mr T Janion  
Miss L A Earnshaw  
Mr O R Halstead  
Mr C T Hcrapath

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 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.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2020**

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**AUDITORS**

The auditors, Sheards, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

Mr T Janion - Director

27 July 2021

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EQUI-TREK LIMITED**

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### **Opinion**

We have audited the financial statements of Equi-Trek Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Report of the Directors for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Directors have been prepared in accordance with applicable legal requirements.



## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EQUI-TREK LIMITED**

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### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Directors.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the Statement of Directors' Responsibilities set out on page four, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EQUI-TREK LIMITED**

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### **Auditors' responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company;
- we assessed the extent of compliance with the laws and regulations identified through making enquiries of management; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation; and
- enquiring of management as to actual and potential litigation and claims.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF EQUI-TREK LIMITED**

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in a Report of the Auditors 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

Carolyn Atkinson FCA (Senior Statutory Auditor)  
for and on behalf of Sheards  
Chartered Accountants  
& Statutory Auditors  
Vernon House  
40 New North Road  
Huddersfield  
West Yorkshire  
HD1 5LS

27 July 2021

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended 31 December 2020**

		2020	2019
	Notes	£	£
<b>TURNOVER</b>	3	13,513,642	19,579,624
Cost of sales		(11,772,951)	(16,538,442)
<b>GROSS PROFIT</b>		1,740,691	3,041,182
Distribution costs		(279,177)	(629,319)
Administrative expenses		(1,793,972)	(1,960,871)
		(332,458)	450,992
Other operating income		709,312	90,585
<b>OPERATING PROFIT</b>	5	376,854	541,577
Interest receivable and similar income		1	4
		376,855	541,581
Interest payable and similar expenses	6	(33,427)	(12,075)
<b>PROFIT BEFORE TAXATION</b>		343,428	529,506
Tax on profit	7	(60,948)	-
<b>PROFIT FOR THE FINANCIAL YEAR</b>		282,480	529,506
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		-	-
<b>FOR THE YEAR</b>		282,480	529,506

The notes form part of these financial statements

**EQUI-TREK LIMITED (REGISTERED NUMBER: 07983005)****BALANCE SHEET**  
**31 December 2020**

		2020	2019
	Notes	£	£
<b>FIXED ASSETS</b>			
Tangible assets	9	632,315	402,009
<b>CURRENT ASSETS</b>			
Stocks	10	3,586,564	3,838,100
Debtors	11	2,886,174	3,168,974
Cash at bank and in hand		<u>1,225,585</u>	<u>843,061</u>
		7,698,323	7,850,135
<b>CREDITORS</b>			
Amounts falling due within one year	12	<u>(3,430,758)</u>	<u>(4,665,598)</u>
<b>NET CURRENT ASSETS</b>		<u>4,267,565</u>	<u>3,184,537</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		4,899,880	3,586,546
<b>CREDITORS</b>			
Amounts falling due after more than one year	13	(1,237,120)	(160,601)
<b>PROVISIONS FOR LIABILITIES</b>	17	<u>(60,948)</u>	<u>-</u>
<b>NET ASSETS</b>		<u>3,601,812</u>	<u>3,425,945</u>
<b>CAPITAL AND RESERVES</b>			
Called up share capital	18	20,000	20,000
Retained earnings	19	<u>3,581,812</u>	<u>3,405,945</u>
<b>SHAREHOLDERS' FUNDS</b>		<u>3,601,812</u>	<u>3,425,945</u>

The financial statements were approved by the Board of Directors and authorised for issue on 27 July 2021 and were signed on its behalf by:

Mr T Janion - Director

Miss L A Earnshaw - Director

The notes form part of these financial statements

**STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2019</b>	20,000	2,899,533	2,919,533
<b>Changes in equity</b>			
Dividends	-	(23,094)	(23,094)
Total comprehensive income	-	529,506	529,506
<b>Balance at 31 December 2019</b>	20,000	3,405,945	3,425,945
<b>Changes in equity</b>			
Dividends	-	(106,613)	(106,613)
Total comprehensive income	-	282,480	282,480
<b>Balance at 31 December 2020</b>	20,000	3,581,812	3,601,812

**CASH FLOW STATEMENT**  
**for the year ended 31 December 2020**

		2020	2019
	Notes	£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	(397,019)	785,817
Interest paid		(24,922)	(1,860)
Interest element of hire purchase payments paid		(8,505)	(10,215)
Net cash from operating activities		<u>(430,446)</u>	<u>773,742</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(253,410)	(87,282)
Sale of tangible fixed assets		25,188	-
Interest received		<u>1</u>	<u>4</u>
Net cash from investing activities		<u>(228,221)</u>	<u>(87,278)</u>
<b>Cash flows from financing activities</b>			
New bank loans in year		1,250,000	-
Bank loan repayments		(50,788)	(30,556)
Capital repayments in year		(41,408)	(39,802)
Amount introduced by directors		-	10,000
Amount withdrawn by directors		(10,000)	-
Equity dividends paid		<u>(106,613)</u>	<u>(23,094)</u>
Net cash from financing activities		<u>1,041,191</u>	<u>(83,452)</u>
<b>Increase in cash and cash equivalents</b>		<u>382,524</u>	<u>603,012</u>
<b>Cash and cash equivalents at beginning of year</b>	2	843,061	240,049
<b>Cash and cash equivalents at end of year</b>	2	<u>1,225,585</u>	<u>843,061</u>

The notes form part of these financial statements

**NOTES TO THE CASH FLOW STATEMENT**  
**for the year ended 31 December 2020**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2020	2019
	£	£
Profit before taxation	343,428	529,506
Depreciation charges	150,512	113,714
Loss/(profit) on disposal of fixed assets	1,116	(3,542)
Government grants	(528,361)	-
Finance costs	33,427	12,075
Finance income	(1)	(4)
	121	651,749
Decrease/(increase) in stocks	251,536	(444,100)
Decrease/(increase) in trade and other debtors	392,925	(115,985)
(Decrease)/increase in trade and other creditors	(1,041,601)	694,153
<b>Cash generated from operations</b>	<b>(397,019)</b>	<b>785,817</b>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2020**

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	<u>1,225,585</u>	<u>843,061</u>

**Year ended 31 December 2019**

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	<u>843,061</u>	<u>240,049</u>



**NOTES TO THE CASH FLOW STATEMENT**  
**for the year ended 31 December 2020**

**3. ANALYSIS OF CHANGES IN NET FUNDS/(DEBT)**

	At 1.1.20 £	Cash flow £	Other non-cash changes £	At 31.12.20 £
<b>Net cash</b>				
Cash at bank and in hand	843,061	382,524		1,225,585
	<u>843,061</u>	<u>382,524</u>		<u>1,225,585</u>
<b>Debt</b>				
Finance leases	(159,488)	(96,533)	-	(409,735)
Debts falling due within 1 year	(30,556)	(329,501)	-	(360,057)
Debts falling due after 1 year	(42,521)	(970,647)	-	(1,013,168)
	<u>(232,565)</u>	<u>(1,396,681)</u>	<u>-</u>	<u>(1,782,960)</u>
<b>Total</b>	<u>610,496</u>	<u>(1,014,157)</u>	<u>-</u>	<u>(557,375)</u>

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended 31 December 2020**

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**1. STATUTORY INFORMATION**

Equi-Trek 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" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

**Turnover**

Turnover represents net invoiced sales of goods, excluding VAT, recognised when title passes to the customer.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Improvements to property	- at varying rates on cost
Plant and machinery	- 25% on cost and 20% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost
Computer equipment	- 33% on cost

**Government grants**

Government grants, accounted for under the accruals model relate to:

- furloughed employee costs, in the sum of £528,362. The income has been matched to the period in which the costs relate; and

- assistance received under CBILS, in the sum of £22,823 for the interest free period of the loan, calculated under the terms of the loan and accounted for in finance costs respectively.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

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

Current 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.

**Research and development**

Expenditure on research and development is written off in the year in which it is incurred.

**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.

**Hire purchase and leasing commitments**

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

**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. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2020	2019
	£	£
United Kingdom	7,781,747	14,880,514
Europe	2,808,988	3,524,332
Overseas	2,922,907	1,174,778
	<u>13,513,642</u>	<u>19,579,624</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2020

## 4. EMPLOYEES AND DIRECTORS

	2020	2019
	£	£
Wages and salaries	2,315,740	2,843,221
Social security costs	171,676	216,906
Other pension costs	39,074	46,302
	<u>2,526,490</u>	<u>3,106,429</u>

The average number of employees during the year was as follows:

	2020	2019
Production	72	92
Sales and distribution	8	11
Administration and management	30	28
	<u>110</u>	<u>131</u>

	2020	2019
	£	£
Directors' remuneration	155,232	249,735
Directors' pension contributions to money purchase schemes	<u>5,160</u>	<u>5,582</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2020	2019
Money purchase schemes	<u>4</u>	<u>5</u>

## 5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Other operating leases	179,484	174,254
Depreciation - owned assets	89,645	66,329
Depreciation - assets on hire purchase contracts	60,869	47,200
Loss/(profit) on disposal of fixed assets	1,116	(3,542)
Auditors' remuneration	7,960	7,815
Foreign exchange differences	<u>(18,530)</u>	<u>(73,289)</u>

## 6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019
	£	£
Bank interest	1,574	1,704
Bank loan interest	23,348	156
Hire purchase	8,505	10,215
	<u>33,427</u>	<u>12,075</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**7. TAXATION****Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2020	2019
	£	£
Deferred tax	60,948	-
Tax on profit	<u>60,948</u>	<u>-</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019
	£	£
Profit before tax	<u>343,428</u>	<u>529,506</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	65,251	100,606
Effects of:		
Expenses not deductible for tax purposes	1,258	9
Depreciation in excess of capital allowances	9,566	2,669
Utilisation of tax losses research and development	(15,127)	-
Tax losses available for carry forward	-	(103,284)
Total tax charge	<u>60,948</u>	<u>-</u>

The company has tax losses available to carry forward to future periods of approximately £179,000 (2019 - £258,000).

**8. DIVIDENDS**

	2020	2019
	£	£
Ordinary shares of £1 each		
Interim	<u>106,613</u>	<u>23,094</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**9. TANGIBLE FIXED ASSETS**

	Improvements to property £	Plant and machinery £	Fixtures and fittings £
<b>COST</b>			
At 1 January 2020	1,475	785,426	112,213
Additions	-	197,708	3,060
Disposals	(1,475)	(5,500)	-
At 31 December 2020	-	977,634	115,273
<b>DEPRECIATION</b>			
At 1 January 2020	1,475	530,576	85,931
Charge for year	-	74,683	19,907
Eliminated on disposal	(1,475)	(5,500)	-
At 31 December 2020	-	599,759	105,838
<b>NET BOOK VALUE</b>			
At 31 December 2020	-	377,875	9,435
At 31 December 2019	-	254,850	26,282

  

	Motor vehicles £	Computer equipment £	Totals £
<b>COST</b>			
At 1 January 2020	279,179	113,534	1,291,827
Additions	147,615	58,741	407,124
Disposals	(131,096)	-	(138,071)
At 31 December 2020	295,698	172,275	1,560,880
<b>DEPRECIATION</b>			
At 1 January 2020	171,349	100,487	889,818
Charge for year	31,175	24,749	150,514
Eliminated on disposal	(104,792)	-	(111,767)
At 31 December 2020	97,732	125,236	928,565
<b>NET BOOK VALUE</b>			
At 31 December 2020	197,966	47,039	632,315
At 31 December 2019	107,830	13,047	402,009

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**9. TANGIBLE FIXED ASSETS - continued**

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £	Motor vehicles £	Totals £
<b>COST</b>			
At 1 January 2020	236,000	-	236,000
Additions	-	136,853	136,853
At 31 December 2020	<u>236,000</u>	<u>136,853</u>	<u>372,853</u>
<b>DEPRECIATION</b>			
At 1 January 2020	62,933	-	62,933
Charge for year	47,200	13,669	60,869
At 31 December 2020	<u>110,133</u>	<u>13,669</u>	<u>123,802</u>
<b>NET BOOK VALUE</b>			
At 31 December 2020	<u>125,867</u>	<u>123,184</u>	<u>249,051</u>
At 31 December 2019	<u>173,067</u>	<u>-</u>	<u>173,067</u>

**10. STOCKS**

	2020 £	2019 £
Raw materials	1,560,310	1,550,041
Work-in-progress	1,751,895	1,352,330
Finished goods	274,359	935,729
	<u>3,586,564</u>	<u>3,838,100</u>

**11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2020 £	2019 £
Trade debtors	43,394	1,160,771
Amounts owed by group undertakings	584,287	194,357
Amounts owed by associates	2,090,043	1,557,685
Other debtors	100	143
VAT	139,283	69,071
Prepayments and accrued income	29,067	108,947
Deposits	-	78,000
	<u>2,886,174</u>	<u>3,168,974</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2020

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Bank loans and overdrafts (see note 14)	259,122	30,556
Other loans (see note 14)	100,935	-
Hire purchase contracts (see note 15)	185,783	41,408
Trade creditors	2,339,122	2,305,475
Amounts owed to associates	309,915	124,073
Social security and other taxes	141,189	-
Directors' current accounts	-	10,000
Accruals and deferred income	94,692	2,154,086
	<u>3,430,758</u>	<u>4,665,598</u>

## 13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2020	2019
	£	£
Bank loans (see note 14)	1,013,168	42,521
Hire purchase contracts (see note 15)	223,952	118,080
	<u>1,237,120</u>	<u>160,601</u>

## 14. LOANS

An analysis of the maturity of loans is given below:

	2020	2019
	£	£
Amounts falling due within one year or on demand:		
Bank loan	31,849	30,556
CBILS	227,273	-
Other loans	100,935	-
	<u>360,057</u>	<u>30,556</u>
Amounts falling due between one and two years:		
Bank loan	9,380	30,556
CBILS	227,273	-
	<u>236,653</u>	<u>30,556</u>
Amounts falling due between two and five years:		
Bank loan	-	11,965
CBILS	662,162	-
	<u>662,162</u>	<u>11,965</u>

Amounts falling due in more than five years:



**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2020**

**14. LOANS - continued**

	2020 £	2019 £
Amounts falling due in more than five years:		
Repayable by instalments		
CBILS	<u>114,353</u>	<u>-</u>

**15. LEASING AGREEMENTS**

Minimum lease payments under hire purchase fall due as follows:

	2020 £	2019 £
Net obligations repayable:		
Within one year	185,783	41,408
Between one and five years	<u>223,952</u>	<u>118,080</u>
	<u>409,735</u>	<u>159,488</u>

**16. SECURED DEBTS**

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	1,272,290	73,077
Hire purchase contracts	<u>409,735</u>	<u>159,488</u>
	<u>1,682,025</u>	<u>232,565</u>

Bank loans are secured via an unlimited debenture, and also via an omnibus guarantee with the parent company, Trek Group Ltd.

Hire purchase liabilities are secured over the asset to which the agreement relates.

**17. PROVISIONS FOR LIABILITIES**

	2020 £	2019 £
Deferred tax	<u>60,948</u>	<u>-</u>
		Deferred tax
		£
Charge to Statement of Comprehensive Income during year		<u>60,948</u>
Balance at 31 December 2020		<u>60,948</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2020

## 18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020	2019
Number:	Class:		£	£
20,000	Ordinary	£1	<u>20,000</u>	<u>20,000</u>

## 19. RESERVES

	Retained earnings £
At 1 January 2020	3,405,945
Profit for the year	282,480
Dividends	(106,613)
At 31 December 2020	<u>3,581,812</u>

## 20. ULTIMATE PARENT COMPANY

Trek Group Limited is regarded by the directors as being the company's ultimate parent company.

## 21. RELATED PARTY DISCLOSURES

During the year, the company had transactions with companies under common control, but not consolidated in these accounts.

- Sales of £1,874,748 (2019 - £1,654,802)
- Purchases of £1,247,422 (2019 - £950,652)

At the year end, there were balances due to the company from these companies of £2,090,043 (2019 - £1,557,685) and amounts owing to these companies of £309,915 (£124,073).

## 22. ULTIMATE CONTROLLING PARTY

The controlling party is Mr R Janion.

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.