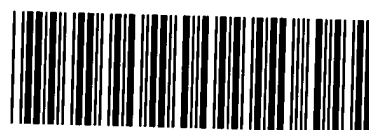


Registered number: 09069589

## **GENTEX EUROPE LIMITED**

### **ANNUAL REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2020**

THURSDAY



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**GENTEX EUROPE LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	H Acker R Dellar L Frieder III
<b>Company secretary</b>	Vistra Company Secretaries Limited
<b>Registered number</b>	09069589
<b>Registered office</b>	Suite 1 3rd Floor 11-12 St. James's Square London SW1Y 4LB

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**GENTEX EUROPE LIMITED**

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## **GENTEX EUROPE LIMITED**

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### **GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2020**

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#### **Introduction**

The principal activity of the Group during the year was the design, manufacture, assembly, testing and marketing of protective headgear for military and civilian aircrew, the emergency and law enforcement services. The group also sold respiratory equipment for use in a variety of industrial applications.

Where appropriate the Group provides associated equipment such as radio communication systems, active noise reduction, microphone, earphones and consumables such as filters and battery packs. The Group also undertakes funded research and design engineering as a subcontractor to a number of major international corporations to meet their specific requirements. In other areas research and development is undertaken, either as new initiatives for additional products, or to update and improve existing products.

#### **Business review**

During the year the Group comprised two wholly owned operating subsidiaries:-

Helmet Integrated Systems Limited ("HISL") – a company registered in England and Wales and Gentex Investment, with a 49% investment in Gentex-NORBO a Joint Venture company registered in Ankara, Turkey, which was incorporated in May 2017.

The Group's ultimate parent company is Gentex Corporation, a company registered in Delaware, USA.

Turnover for the year showed 38.1% increase on the previous year, primarily due to an increase in the industrial business segment, specifically healthcare applications, as a result of COVID pandemic.

The operating profit before tax and amortisation of goodwill was £3,244,265 compared to £6,237 for the previous year. The change is principally due to the increase in turnover and the mix in products as well as a reduction in operating costs because of stricter cost control as a result of the COVID pandemic.

#### **Principal risks and uncertainties**

The directors are of the opinion that the budget approved for 2020 is realistic, being based largely on existing certified and approved products. A number of new Industrial products are being launched during the first quarter of the year, which provide the only internal risk area, largely related to timing.

External risks encompass the impact of Covid-19 to;

- Customer demand
- Supply chain interruption
- Impacts to our workforce

As this report is being written, extensive work has and continues to be undertaken to protect our workforce, local communities and customers alike. Planning for Brexit continues, albeit contingency planning for the pandemic has taken tactical priority.

#### **Financial key performance indicators**

A number of KPIs are used by the company:

- orders by customer and product group are measured against budget on a weekly basis;
- sales by product group and customer are compared to budget on a monthly basis and deliveries to customers are the subject of weekly production meetings to enable any remedial action to be taken;
- cash is closely monitored and revised projections are completed quarterly in parallel with profit forecasts;
- customer satisfaction - a system has now been established to review on a monthly basis and to take remedial action where appropriate;
- departmental overheads are monitored on a monthly basis as part of the management accounting package.

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**GENTEX EUROPE LIMITED**

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**GROUP STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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This report was approved by the board on

March 30, 2021

and signed on its behalf.



**H Acker**  
Director

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**GENTEX EUROPE LIMITED**

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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.

**Directors' responsibilities statement**

The Directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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**GENTEX EUROPE LIMITED**

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

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**Results and dividends**

The profit for the year, after taxation, amounted to £2,039,234 (2019 - loss £749,555).

The payment of dividends is decided by Gentex. The scenarios outlined in the heading "Future developments" will require, over the ensuing 2 to 3 years, additional working capital to finance higher levels of turnover, stock and work in progress and trade debtors. The board continues to consider that this expansion should be self financing from within the company, and accordingly no dividends have been declared for the period.

**Financial controls**

Annual budgets, phased by month are agreed by the board, and, monthly, management accounts are compared with budget to highlight variances enabling remedial action to be taken when necessary. All balance sheet items are reconciled monthly, with the exception of stock which is verified at each year end by physical count and ongoing via perpetual inventory. Weekly cash flow forecasts are produced and are monitored against the actual cash flows.

Capital expenditure is controlled by requiring all proposals for expenditure to be approved in accordance with the delegated levels of authority. Research and development private venture expenditure is only undertaken after a rigorous cost justification process has been undertaken, and the board is satisfied that a satisfactory return on investment will be achieved.

**Financial risk management policies**

The board regularly reviews the financial requirements of the Group and the risks associated therewith. The Group's operations historically have primarily been financed from retained earnings and bank borrowings and the company does not use complex or derivative financial instruments for trading purposes other than forward exchange contracts.

The principal financial risks arising from the Group's activities are credit risk and exchange rate risk. These are monitored closely by the board. Credit risk is managed by obtaining credit checks on new commercial customers, using credit insurance wherever available and by monitoring payments against contractual agreements.

The Group's exchange rate exposure arises from transactions with overseas customers denominated in foreign currency, and from its US subsidiary operations. The board will take steps to protect its anticipated foreign exchange cash inflows for the coming year by entering into forward exchange contracts and options with its bankers, as required.

**Directors**

The Directors who served during the year were:

H Acker  
R Dellar  
L Frieder III

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**GENTEX EUROPE LIMITED**

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

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**Future developments**

The directors are of the opinion that the budget approved for 2021 is realistic and is based on a mix of existing certified and approved products. External risks encompass parts obsolescence and the general political and economic risks and uncertainties.

**Financial instruments**

The board regularly reviews the financial requirements of the Group and the risks associated therewith. The Group's operations historically have primarily been financed from retained earnings and bank borrowings and the Group does not use complex or derivative financial instruments for trading purposes other than forward exchange contracts.

**Charitable donations**

During the year, the Group made charitable donations of £400 (2019: £314).

**Qualifying third party indemnity provisions**

During the period and up to the date of this report, the Group maintained liability insurance and third-party indemnification provisions for its directors, under which the Group has agreed to indemnify the directors to the extent permitted by law in respect of all liabilities to third parties arising out of, or in connection with, the execution of their powers, duties and responsibilities as directors of the Group.

**Disclosure of information to auditors**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Group since the year end.

**Auditors**

The auditors, MHA MacIntyre Hudson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on

March 30, 2021

and signed on its behalf.



**H Acker**  
Director



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**GENTEX EUROPE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENTEX EUROPE LIMITED**

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**Opinion**

We have audited the financial statements of Gentex Europe Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020, which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statement of Changes in Equity and the Consolidated Statement of Cash Flows and the related notes, 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 Group's and of the parent Company's affairs as at 31 December 2020 and of the Group's 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 Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council'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 Group's or the parent 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.

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**GENTEX EUROPE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENTEX EUROPE LIMITED (CONTINUED)**

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**Other information**

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion 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 Group strategic report and the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Group strategic report and the Directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the Group and the parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Group strategic report or the Directors' report.

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

- adequate accounting records have not been kept by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

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**GENTEX EUROPE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENTEX EUROPE LIMITED (CONTINUED)**

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**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement set out on page 3, 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 is 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

**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 an Auditors' report 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 Group 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:

- Detailed review of journals to identify potential management override.
- Testing of key controls over expenditure to ensure the correct authorisation.
- Substantive testing to ensure accuracy for key financial statement areas.
- Analytical procedures to highlight any unexpected discrepancies.

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 Auditors' report.

**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 an Auditors' Report 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.

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**GENTEX EUROPE LIMITED**

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF GENTEX EUROPE LIMITED (CONTINUED)**

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**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 an Auditors' report 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.

*MHA MacIntyre Hudson*

KATHARINE ARNOTT FCA (Senior Statutory Auditor)

for and on behalf of  
**MHA MacIntyre Hudson**

Chartered Accountants  
Statutory Auditors

Abbey Place  
24-28 Easton Street  
High Wycombe  
Buckinghamshire  
HP11 1NT

Date: 9 April 2021

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**GENTEX EUROPE LIMITED**

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

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	Note	2020 £	2019 £
Turnover	4	22,894,561	16,573,290
Cost of sales		(14,976,107)	(11,788,252)
<b>Gross profit</b>		<b>7,918,454</b>	<b>4,785,038</b>
Distribution costs		(160,154)	(258,069)
Administrative expenses		(4,514,035)	(4,520,732)
<b>Operating profit</b>	5	<b>3,244,265</b>	<b>6,237</b>
Amortisation and impairment of intangible assets		(707,051)	(920,632)
Interest receivable and similar income		2,180	49
<b>Profit/(loss) before taxation</b>		<b>2,539,394</b>	<b>(914,346)</b>
Tax on profit/(loss)	9	(500,160)	164,791
<b>Profit/(loss) for the financial year</b>		<b>2,039,234</b>	<b>(749,555)</b>
Exchange rate difference on translation of foreign subsidiaries		-	(74,267)
<b>Total comprehensive income for the year</b>		<b>2,039,234</b>	<b>(823,822)</b>


The notes on pages 16 to 36 form part of these financial statements.

**GENTEX EUROPE LIMITED**  
**REGISTERED NUMBER: 09069589**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	10	3,569,240	4,284,721
Tangible assets	11	1,936,215	1,829,067
Investments	12	377,059	377,059
		<u>5,882,514</u>	<u>6,490,847</u>
<b>Current assets</b>			
Stocks	13	4,970,387	3,542,991
Debtors: amounts falling due within one year	14	2,814,807	2,242,520
Cash at bank and in hand	15	588,726	490,365
		<u>8,373,920</u>	<u>6,275,876</u>
Creditors: amounts falling due within one year	16	(16,595,955)	(17,045,638)
<b>Net current liabilities</b>		<u>(8,222,035)</u>	<u>(10,769,762)</u>
<b>Total assets less current liabilities</b>		<u>(2,339,521)</u>	<u>(4,278,915)</u>
<b>Provisions for liabilities</b>			
Deferred taxation	17	(510,509)	(610,349)
		<u>(510,509)</u>	<u>(610,349)</u>
<b>Net assets excluding pension asset</b>		<u>(2,850,030)</u>	<u>(4,889,264)</u>
<b>Net liabilities</b>		<u>(2,850,030)</u>	<u>(4,889,264)</u>
<b>Capital and reserves</b>			
Called up share capital	18	1	1
Other reserves	19	692,191	692,191
Profit and loss account	19	(3,542,222)	(5,581,456)
		<u>(2,850,030)</u>	<u>(4,889,264)</u>

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

 30 March 2021

**H Acker**  
**Director**

The notes on pages 16 to 36 form part of these financial statements.

**GENTEX EUROPE LIMITED**  
**REGISTERED NUMBER: 09069589**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Investments	12	15,000,000	15,000,000
		<u>15,000,000</u>	<u>15,000,000</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	14	1	1
		<u>1</u>	<u>1</u>
Creditors: amounts falling due within one year	16	(15,000,000)	(15,000,000)
<b>Net current liabilities</b>		<u>(14,999,999)</u>	<u>(14,999,999)</u>
<b>Total assets less current liabilities</b>		<u>1</u>	<u>1</u>
<b>Net assets</b>		<u>1</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital	18	1	1
		<u>1</u>	<u>1</u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:



**H Acker**  
 Director  
 Date: March 30, 2021

The notes on pages 16 to 36 form part of these financial statements.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of Comprehensive Income in these financial statements.

The Company's profit for the year was £NIL (2019 - £NIL).

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**GENTEX EUROPE LIMITED**

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

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	Called up share capital £	Foreign exchange reserve £	Profit and loss account £	Total equity £
At 1 January 2019	1	766,458	(4,831,901)	(4,065,442)
Comprehensive income for the year				
Loss for the year	-	-	(749,555)	(749,555)
Net change in fair value of cash flow hedges	-	(74,267)	-	(74,267)
Total comprehensive income for the year	-	(74,267)	(749,555)	(823,822)
At 1 January 2020	1	692,191	(5,581,456)	(4,889,264)
Comprehensive income for the year				
Profit for the year	-	-	2,039,234	2,039,234
Total comprehensive income for the year	-	-	2,039,234	2,039,234
At 31 December 2020	1	692,191	(3,542,222)	(2,850,030)

The notes on pages 16 to 36 form part of these financial statements.

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

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	Called up share capital £	Total equity £
At 1 January 2019	1	1
Total comprehensive income for the year	-	-
At 1 January 2020	1	1
Total comprehensive income for the year	-	-
At 31 December 2020	1	1



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**GENTEX EUROPE LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	2020 £	2019 £
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	2,039,234	(749,555)
<b>Adjustments for:</b>		
Amortisation of intangible assets	720,239	920,632
Depreciation of tangible assets	303,791	264,501
Loss on disposal of tangible assets	-	(4,544)
Interest received	(2,180)	(49)
Taxation charge	500,160	(164,791)
(Increase)/decrease in stocks	(1,427,396)	157,868
(Increase)/decrease in debtors	(563,885)	618,219
Increase in amounts owed by groups	(8,402)	(470,663)
Increase in creditors	697,172	34,361
Decrease in amounts owed to groups	(1,743,579)	-
Corporation tax paid	(3,276)	(241,930)
<b>Net cash generated from operating activities</b>	<b>511,878</b>	<b>364,049</b>
<b>Cash flows from investing activities</b>		
Purchase of intangible fixed assets	(4,758)	(307,155)
Purchase of tangible fixed assets	(410,939)	(124,192)
Sale of tangible fixed assets	-	5,000
Purchase of share in joint ventures	-	(238,948)
Interest received	2,180	49
<b>Net cash from investing activities</b>	<b>(413,517)</b>	<b>(665,246)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>98,361</b>	<b>(301,197)</b>
Cash and cash equivalents at beginning of year	490,365	791,562
<b>Cash and cash equivalents at the end of year</b>	<b>588,726</b>	<b>490,365</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	588,726	490,365
	<b>588,726</b>	<b>490,365</b>

The notes on pages 16 to 36 form part of these financial statements.

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**GENTEX EUROPE LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	At 1 January 2020 £	Cash flows £	At 31 December 2020 £
Cash at bank and in hand	490,365	98,361	588,726
	<u>490,365</u>	<u>98,361</u>	<u>588,726</u>

The notes on pages 16 to 36 form part of these financial statements.

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## **GENTEX EUROPE LIMITED**

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

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#### **1. General information**

Gentex Europe Limited is a private company limited by shares, incorporated in England and Wales, registration number 09069589. The registered office is Suite 1, 3rd Floor, 11-12 St. James Square, London, SW1Y 4LB.

The principal activity of the Group during the year was the design, manufacture, assembly, testing and marketing of protective headgear for military and civilian aircrew, the emergency and law enforcement services, together with respiratory equipment for use in a variety of industrial applications.

#### **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 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied:

##### **2.2 Basis of consolidation**

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated statement of comprehensive income from the date on which control is obtained. They are deconsolidated from the date control ceases.

##### **2.3 Going concern**

Notwithstanding net liabilities of £2,850,030 (2019: £4,889,264) at the balance sheet date, the directors have prepared the financial statements on a going concern basis. The directors have reviewed the Group's cash flow projections for the next 12 months after the date of signing of the financial statements and are confident they will have adequate resources to meet the requirements of the business in the foreseeable future. The directors have obtained a letter of support from Gentex Corporation who will continue to support the Group for the 12 months from the signing of the financial statements. The directors have therefore prepared these financial statements on a going concern basis.

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

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2. Accounting policies (continued)

2.4 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 resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

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

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**2. Accounting policies (continued)**

**2.5 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**Rendering of services**

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Group will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

**2.6 Interest income**

Interest income is recognised in the Consolidated statement of comprehensive income using the effective interest method.

**2.7 Operating leases: the Group as lessee**

Rentals paid under operating leases are charged to the Consolidated statement of comprehensive income on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Group has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 January 2019 to continue to be charged over the period to the first market rent review rather than the term of the lease.

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

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2. Accounting policies (continued)

2.8 Pensions

**Defined contribution pension plan**

The Group operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Group pays fixed contributions into a separate entity. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Group in independently administered funds.

2.9 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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 balance sheet date in the countries where the Company and the Group operate and generate income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

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

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**2. Accounting policies (continued)**

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of the identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight line basis to the Consolidated statement of comprehensive income over its useful economic life.

**Other intangible assets**

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

The estimated useful lives range as follows:

Customer contracts	-	5-10 years
Development expenditure	-	5-10 years
Goodwill	-	10 years
Production backlog	-	1.5 years
Computer software	-	4 years

The amortisation charge for the year is included in a separate line on the face of the statement of comprehensive income.

**2.11 Research and development**

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research shall be recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if and only if certain specific criteria are met in order to demonstrate the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised on a straight line basis over their useful economic lives, which range from 3 to 6 years.

If it is not possible to distinguish between the research phase and the development phase of an internal project, the expenditure is treated as if it were all incurred in the research phase only.

**2.12 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.

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**GENTEX EUROPE LIMITED**

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

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**2. Accounting policies (continued)****2.12 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:

Freehold property	-	2% (excluding land)
Short-term leasehold property	-	10% p.a.
Plant and machinery	-	10% p.a.
Motor vehicles	-	25% p.a.
Computer equipment	-	25% p.a.

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 profit or loss.

**2.13 Investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

Investments in unlisted Group shares, whose market value can be reliably determined, are remeasured to market value at each balance sheet date. Gains and losses on remeasurement are recognised in the Consolidated statement of comprehensive income for the period. Where market value cannot be reliably determined, such investments are stated at historic cost less impairment.

**2.14 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.15 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.



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

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**2. Accounting policies (continued)**

**2.16 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.

In the Consolidated statement of cash flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

**2.17 Financial instruments**

The Group 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 Consolidated 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 Group 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.

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

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**2. Accounting policies (continued)**

**2.17 Financial instruments (continued)**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The company does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

**2.18 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.

**2.19 Holiday pay accrual**

A liability is recognised to the extent of any unused holiday pay entitlement which is accrued at the Balance sheet date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the Balance sheet date.

**2.20 Provisions for liabilities**

Provisions are made where an event has taken place that gives the Group a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Group becomes aware of the obligation, and are measured at the best estimate at the Balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance sheet.

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

The preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where the judgements and estimates have been made include revenue recognition, considering potential impairments within stock and trade debtors and the useful economic life of goodwill, intangible fixed assets and tangible fixed assets.

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**GENTEX EUROPE LIMITED**

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

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	2020 £	2019 £
Manufacturing and distribution of protective headgear and associated equipment	<u>22,894,561</u>	<u>16,573,290</u>

Analysis of turnover by country of destination:

	2020 £	2019 £
United Kingdom	8,337,507	5,991,924
Rest of Europe	4,472,826	4,804,778
Rest of the world	10,084,228	5,776,588
	<u>22,894,561</u>	<u>16,573,290</u>

**5. Operating profit**

The operating profit is stated after charging:

	2020 £	2019 £
Research & development charged as an expense	263,779	60,129
Exchange differences	43,066	148,811
Depreciation of tangible fixed assets	303,791	264,501
Auditors remuneration	25,450	25,000
Operating lease payments recognised as an expense	<u>191,637</u>	<u>253,150</u>

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**GENTEX EUROPE LIMITED**

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

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**6. Auditors' remuneration**

	2020 £	2019 £
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>25,450</u>	<u>25,000</u>
<b>Fees payable to the Company's auditor in respect of:</b>		
All other services	<u>23,275</u>	<u>22,775</u>
	<u>23,275</u>	<u>22,775</u>

**7. Employees**

Staff costs, including Directors' remuneration, were as follows:

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Wages and salaries	5,432,662	5,128,579	-	-
Social security costs	515,648	467,915	-	-
Cost of defined contribution scheme	321,635	255,985	-	-
	<u>6,269,945</u>	<u>5,852,479</u>	<u>-</u>	<u>-</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2020 No.	2019 No.
Sales and marketing	84	75
Manufacturing	20	14
Administration	69	64
	<u>173</u>	<u>153</u>

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**GENTEX EUROPE LIMITED**

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

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**8. Directors' remuneration**

	2020 £	2019 £
Directors' emoluments	185,316	155,638
Company contributions to defined contribution pension schemes	-	9,171
	<u>185,316</u>	<u>164,809</u>

During the year retirement benefits were accruing to 0 directors (2019: 1) in respect of defined contribution pension schemes.

**9. Taxation**

	2020 £	2019 £
<b>Corporation tax</b>		
Current tax on profits for the year	600,000	(57,193)
<b>Total current tax</b>	<u>600,000</u>	<u>(57,193)</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	(99,840)	(107,598)
<b>Total deferred tax</b>	<u>(99,840)</u>	<u>(107,598)</u>
<b>Taxation on profit/(loss) on ordinary activities</b>	<u>500,160</u>	<u>(164,791)</u>

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**GENTEX EUROPE LIMITED**

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

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**9. Taxation (continued)****Factors affecting tax charge for the year**

The tax assessed for the year is higher than (2019 - higher than) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
Profit/(loss) on ordinary activities before tax	<u>2,539,394</u>	<u>(914,346)</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	449,468	24,732
<b>Effects of:</b>		
Non-tax deductible amortisation of goodwill and impairment	(1,000)	(174,920)
Expenses not deductible for tax purposes	71,519	-
Capital allowances for year in excess of depreciation	(19,827)	(14,603)
<b>Total tax charge for the year</b>	<u><u>500,160</u></u>	<u><u>(164,791)</u></u>

**Factors that may affect future tax charges**

There were no factors that may affect future tax charges.

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**GENTEX EUROPE LIMITED**

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

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**10. Intangible assets**

**Group**

	Production backlog £	Development £	Customer contracts £	Computer software £	Goodwill £	Total £
<b>Cost</b>						
At 1 January 2020	2,432,656	2,627,995	9,849,368	398,397	164,896	15,473,312
Additions	-	4,758	-	-	-	4,758
At 31 December 2020	<u>2,432,656</u>	<u>2,632,753</u>	<u>9,849,368</u>	<u>398,397</u>	<u>164,896</u>	<u>15,478,070</u>
<b>Amortisation</b>						
At 1 January 2020	2,432,656	614,208	7,677,093	373,944	90,690	11,188,591
Charge for the year on owned assets	-	207,838	482,721	13,194	16,486	720,239
At 31 December 2020	<u>2,432,656</u>	<u>822,046</u>	<u>8,159,814</u>	<u>387,138</u>	<u>107,176</u>	<u>11,908,830</u>
<b>Net book value</b>						
At 31 December 2020	<u>-</u>	<u>1,810,707</u>	<u>1,689,554</u>	<u>11,259</u>	<u>57,720</u>	<u>3,569,240</u>
At 31 December 2019	<u>-</u>	<u>2,013,787</u>	<u>2,172,275</u>	<u>24,453</u>	<u>74,206</u>	<u>4,284,721</u>

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

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**11. Tangible fixed assets****Group**

	Freehold property £	Short-term leasehold property £	Plant and machinery £	Total £
<b>Cost or valuation</b>				
At 1 January 2020	772,479	52,017	11,194,968	12,019,464
Additions	68,399	-	342,540	410,939
At 31 December 2020	840,878	52,017	11,537,508	12,430,403
<b>Depreciation</b>				
At 1 January 2020	94,653	50,279	10,045,465	10,190,397
Charge for the year on owned assets	17,369	1,164	285,258	303,791
At 31 December 2020	112,022	51,443	10,330,723	10,494,188
<b>Net book value</b>				
At 31 December 2020	728,856	574	1,206,785	1,936,215
At 31 December 2019	677,826	1,738	1,149,503	1,829,067



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**GENTEX EUROPE LIMITED**

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

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**12. Fixed asset investments****Group**

	Investment in joint ventures £
<b>Cost or valuation</b>	
At 1 January 2020	456,269
At 31 December 2020	<u>456,269</u>
<b>Impairment</b>	
At 1 January 2020	79,210
At 31 December 2020	<u>79,210</u>
<b>Net book value</b>	
At 31 December 2020	<u>377,059</u>
At 31 December 2019	<u>377,059</u>

**Company**

	Investments in subsidiary companies £
<b>Cost or valuation</b>	
At 1 January 2020	15,000,000
At 31 December 2020	<u>15,000,000</u>
<b>Net book value</b>	
At 31 December 2020	<u>15,000,000</u>
At 31 December 2019	<u>15,000,000</u>

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

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**12. Fixed asset investments (continued)****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
MID7 Limited	Dormant	Ordinary	100%
Helmet Integrated Systems Limited*	Design, manufacture, assembly, testing and marketing of protective headgear for military and civilian aircrew.	Ordinary	100%
Interactive Safety Products Inc*	Dormant	Ordinary	100%
Helmets Limited*	Dormant	Ordinary	100%
Top Tek International Limited*	Dormant	Ordinary	100%
Pureflo Safety Limited*	Dormant	Ordinary	100%
Gentex Investment Ltd	Supporting company	Ordinary	100%

\*These subsidiaries are indirectly owned.

The following subsidiaries are incorporated in the United Kingdom:

The registered office of MID7 Limited, Helmet Integrated Systems Limited, Helmets Limited, Pureflo Safety Limited is Unit 3 Focus 4, Fourth Avenue, Letchworth Garden City, Hertfordshire, SG6 2TU.

The registered office of Top Tek International Limited is 3 Commerce Road, Stranraer, Dumfries, DG9 7DX.

The registered office of Gentex Investment Ltd is Suite 1, 3rd Floor 11-12 St. James's Square, London, SW14 4LB.

Interactive Safety Products Inc is incorporated in the United States of America. The registered office is in the state of Delaware.

Gentex Investment Ltd has taken advantage of the audit exemption available to subsidiaries in section 479A of the Companies Act 2006 to allow unaudited individual company accounts to be prepared.

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**GENTEX EUROPE LIMITED**

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

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**12. Fixed asset investments (continued)****Subsidiary undertakings (continued)**

The aggregate of the share capital and reserves as at 31 December 2020 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit/(Loss) £
MID7 Limited	15,000,001	-
Helmet Integrated Systems Limited*	9,028,865	3,108,461
Interactive Safety Products Inc*	2,205,155	(69,854)
Helmets Limited*	192,612	-
Top Tek International Limited*	207,887	-
Pureflo Safety Limited*	-	-
Gentex Investment Ltd	1	-

**13. Stocks**

	Group 2020 £	Group 2019 £
Raw materials and consumables	3,024,744	1,300,198
Work in progress	512,112	930,803
Finished goods and goods for resale	1,433,531	1,311,990
	<u>4,970,387</u>	<u>3,542,991</u>

Stock recognised in cost of sales during the year as an expense was £10,304,521 (2019 - £7,193,334).

**14. Debtors**

	Group 2020 £	Group 2019 £	Company 2020 £	Company 2019 £
Trade debtors	2,214,976	1,754,900	-	-
Amounts owed by group undertakings	8,403	1	1	1
Other debtors	350,447	242,431	-	-
Prepayments and accrued income	240,981	245,188	-	-
	<u>2,814,807</u>	<u>2,242,520</u>	<u>1</u>	<u>1</u>

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**GENTEX EUROPE LIMITED**

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

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**15. Cash and cash equivalents**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>
Cash at bank and in hand	<b>588,726</b>	<b>490,365</b>
	<b>588,726</b>	<b>490,365</b>

**16. Creditors: Amounts falling due within one year**

	<b>Group 2020 £</b>	<b>Group 2019 £</b>	<b>Company 2020 £</b>	<b>Company 2019 £</b>
Trade creditors	<b>1,474,274</b>	980,076	-	-
Amounts owed to group undertakings	<b>13,146,799</b>	14,890,378	<b>15,000,000</b>	15,000,000
Corporation tax	<b>669,687</b>	72,963	-	-
Other taxation and social security	<b>216,009</b>	145,867	-	-
Other creditors	<b>57,758</b>	39,718	-	-
Accruals and deferred income	<b>1,031,428</b>	916,636	-	-
	<b>16,595,955</b>	<b>17,045,638</b>	<b>15,000,000</b>	<b>15,000,000</b>

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**GENTEX EUROPE LIMITED**

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

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**17. Deferred taxation****Group**

	2020 £	2019 £
At beginning of year	(610,349)	(542,432)
Charged to profit or loss	99,840	(67,917)
At end of year	<u>(510,509)</u>	<u>(610,349)</u>

The provision for deferred taxation is made up as follows:

	Group 2020 £	Group 2019 £
Accelerated capital allowances	(179,188)	(179,188)
Deferred tax recognised in respect of intangible assets	(331,321)	(431,161)
	<u>(510,509)</u>	<u>(610,349)</u>

**18. Share capital**

	2020 £	2019 £
Allotted, called up and fully paid		
1 (2019 - 1) Ordinary share of £1.00	<u>1</u>	<u>1</u>

**19. Reserves****Foreign exchange reserve**

The foreign exchange reserve represents the exchange differences arising from the translation of a subsidiary's accounts into the Group's presentational currency.

**Profit and loss account**

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

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**GENTEX EUROPE LIMITED**

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

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**20. Pension commitments**

The Group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £321,635 (2019: £255,985). There were no contributions were outstanding at the reporting date.

**21. Commitments under operating leases**

At 31 December 2020 the Group had future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	Group 2019 £
Not later than 1 year	130,957	175,128
Later than 1 year and not later than 5 years	46,702	117,104
Later than 5 years	-	32,849
	<u>177,659</u>	<u>325,081</u>

**22. Related party transactions**

In accordance with the exemption under Financial Reporting Standard No 102, the Company does not disclose transactions with the other wholly-owned companies within the Gentex Europe Group.

During the year the Company purchased and sold goods to Gentex Corporation, the ultimate parent company. Included in the purchases is a management charge which is levied on the Group by Gentex Corporation based on working capital. All transactions were carried out on a normal commercial basis.

	2020 £	2019 £
Purchases of goods and services	2,935,070	3,077,331
Sale of goods	5,580,102	3,194,868
Amounts payable to Gentex Corporation at 31 December 2020	13,146,799	14,890,380
	<u>21,661,971</u>	<u>21,162,579</u>

**Key management personnel**

The total amount paid to the Group's key management personnel in the year to 31 December 2020 was £407,276 (2019: £598,544).

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**GENTEX EUROPE LIMITED**

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

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**23. Controlling party**

At 31 December 2020, the Company's immediate and ultimate parent Company was Gentex Corporation, a company incorporated in the United States of America.

The largest group of which the Company is a member and for which financial statements are drawn up is headed by Gentex Corporation, a company incorporated in the United States of America in the state of Delaware.