

**Trend Technologies Scotland Limited**  
**Financial Statements**  
**For the year ended**  
**31 December 2019**  
**Company Registered number: SC263638**



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# **TREND TECHNOLOGIES SCOTLAND LIMITED REPORT AND FINANCIAL STATEMENTS**

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## **TREND TECHNOLOGIES SCOTLAND LIMITED DIRECTORS AND OTHER INFORMATION**

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### **BOARD OF DIRECTORS**

Alan Murdoch  
Brian Dickstein  
Earl Payton  
Norman Rodger (resigned on 1<sup>st</sup> January 2020)

### **SECRETARY AND REGISTERED OFFICE**

Graeme Robson  
Unit A Glover Road  
Westwood Park,  
Glenrothes  
Fife  
KY7 4AD

### **REGISTRATION NUMBER**

SC263638

### **AUDITORS**

Mazars  
Chartered Accountants  
& Statutory Audit Firm  
Harcourt Centre, Block 3  
Harcourt Road  
Dublin 2  
Ireland

### **SOLICITORS**

Charles Wood & Son  
37 Kirk Wynd  
Kirkcaldy  
Fife  
KY1 1EN

### **BANKERS**

Royal Bank of Scotland  
3 Falkland Gate  
Glenrothes  
Fife  
KY7 5NS

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## TREND TECHNOLOGIES SCOTLAND LIMITED

### STRATEGIC REPORT

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The directors present their strategic report on the company for the year ended 31 December 2019.

The company is a subsidiary of Trend Technologies Group Limited part of the Trend global group of companies.

The company's principal activity during the year was design for manufacture and precision sheet metal manufacture.

#### 1. REVIEW OF THE BUSINESS

The company continued to increase sales, mainly through leveraging sales from existing and new customers introduced by other group companies.

The profit for the year, after taxation, amounted to £485,543 (2018: £459,770)

Profitability was as expected although this can vary depending on the mix of different types of sales in any given period. The directors recommended the payment of a dividend during the year of £125,000 (2018: £114,999). The directors are satisfied with the results for the year.

#### 2. KEY PERFORMANCE INDICATORS

The company's key financial indicators during the year were as follows:

	2019	2018
	£	£
Sales	11,675,341	10,230,154
Pre-tax profit	548,062	463,198
Net current assets	1,395,722	962,936

#### 3. PRINCIPAL RISKS AND UNCERTAINTIES

The directors consider that the principal risks and uncertainties faced by the company are in the following categories.

##### ***Economic factors***

The principal risk affecting the growth and profitability of the company is the nature of the sub-contract business and how our customers are affected by the rate of global growth. To alleviate this risk the company seeks to have a spread of customers who operate in different markets.

##### ***Credit risk***

Credit risk is managed by agreeing payment terms in advance and applying appropriate credit control procedures where credit risk is perceived.

##### ***Exchange risk***

The majority of the company's sales and purchases are made in Sterling £ so exchange rate risk is minimized. The company also limits risk by balancing foreign exchange sales and purchases wherever possible.

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## TREND TECHNOLOGIES SCOTLAND LIMITED

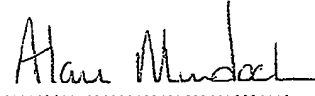
### STRATEGIC REPORT

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This report was approved by the board and signed on its behalf by:



Brian Dickstein  
Director



Alan Murdoch  
Director

20/5/20  
Date

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## TREND TECHNOLOGIES SCOTLAND LIMITED

### REPORT OF THE DIRECTORS

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The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

#### 1. PRINCIPAL ACTIVITIES AND REVIEW OF BUSINESS

The company's principal activity is design for manufacture and precision sheet metal manufacture.

#### 2. RESULTS AND DIVIDENDS

The results for the year are set out on page 11.

The directors are satisfied with the result for the year.

The directors recommended payment of a dividend during the year of £125,000 (2018: £114,999).

#### 3. DIRECTORS INTERESTS

The directors who served during the year and their interests in the Company's issued share capital were:

	Ordinary Shares of £1 each		Ordinary Shares of £1 each	
	31/12/2019	01/01/2019	31/12/2018	01/01/2018
Brian Dickstein	-	-	-	-
Norman Rodger	10,739	10,739	10,739	10,739
Alan Murdoch	10,739	10,739	10,739	10,739
Earl Payton	-	-	-	-

Subsequent to year end, Norman Rodger sold 10,739 ordinary shares in February 2020.

#### 4. SUBSEQUENT EVENTS

The Coronavirus pandemic has created uncertainty as to volumes of work and availability of resources. The directors have taken steps they believe will allow the company to maintain such operations as necessary. They believe the company has adequate resources and assistance available from government and group resources to allow it to meet its obligations for the foreseeable future until restrictions are relaxed and then removed.

There are no other subsequent events that affected the company.

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## TREND TECHNOLOGIES SCOTLAND LIMITED

### REPORT OF THE DIRECTORS

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#### 5. DISCLOSURE OF INFORMATION TO THE AUDITORS

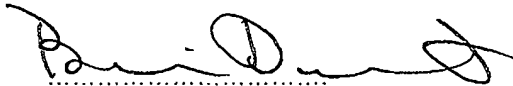
The directors at the time when this Directors' report is approved have confirmed that:

- So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### 6. AUDITORS

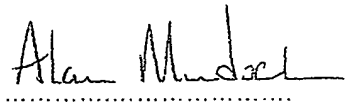
Mazars, Chartered Accountants & Statutory Audit Firm, have been appointed in accordance with Section 485(2) of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:



.....  
Brian Dickstein  
Director

20/5/20  
.....  
Date



.....  
Alan Murdoch  
Director

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## TREND TECHNOLOGIES SCOTLAND LIMITED

### STATEMENT OF DIRECTORS' RESPONSIBILITIES

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

Company law requires the directors to prepare audited 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 financial statements unless 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.

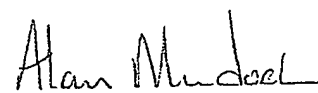
In preparing these audited financial statements, the directors are required to:

- select suitable accounting policies 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 being disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

On behalf of the board:

  
.....  
Brian Dickstein  
Director

  
.....  
Alan Murdoch  
Director

20/5/20  
.....  
Date



**INDEPENDENT AUDITORS' REPORT**  
**TO THE SHAREHOLDERS OF**  
**TREND TECHNOLOGIES SCOTLAND LIMITED**

We have audited the financial statements of Trend Technologies Scotland Limited (the "company") for the year ended 31 December 2019, which comprise the Statement of Comprehensive Income, the Statement of Financial Position, Statement of Changes in Equity and 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 FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 Auditor's 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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you were:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**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.

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE SHAREHOLDERS OF**

#### **TREND TECHNOLOGIES SCOTLAND LIMITED (continued)**

##### **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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 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 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, 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 specific 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 directors' responsibilities statement set out on page 7, 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 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.

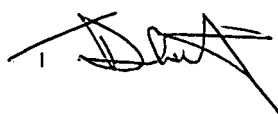
##### **Auditor's responsibilities for the audit of the financial statements**

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 auditor's 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 financial statements.

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 auditor's report.

**INDEPENDENT AUDITORS' REPORT****TO THE SHAREHOLDERS OF****TREND TECHNOLOGIES SCOTLAND LIMITED (continued)****The purpose of our audit work and to whom we owe our responsibilities**

Our 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 auditor's 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.



.....  
**Tommy Doherty**

**Senior Statutory Auditor  
Mazars  
Chartered Accountants & Statutory Audit Firm  
Harcourt Centre  
Block 3  
Dublin 2**

**Date: 20 May 2020**

**TREND TECHNOLOGIES SCOTLAND LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
*For the year ended 31 December 2019*

	Notes	2019 £	2018 £
Turnover		11,675,341	10,230,154
Cost of sales		<u>(8,590,926)</u>	<u>(7,463,389)</u>
<b>Gross profit</b>		3,084,415	2,766,765
Administrative expenses		(2,521,427)	(2,271,571)
Other operating income	4	<u>28,500</u>	<u>42,803</u>
<b>Operating profit</b>	5	591,488	537,997
Interest payable and expenses	8	<u>(43,426)</u>	<u>(74,799)</u>
<b>Profit before tax</b>		548,062	463,198
Tax on profit	9	<u>(62,519)</u>	<u>(3,428)</u>
<b>Profit for the year</b>		<u>485,543</u>	<u>459,770</u>

There was no other comprehensive income for 2019 (2018: £NIL).

All amounts are in respect of continuing operations.


The notes on pages 14 to 28 form part of these financial statements.

**TREND TECHNOLOGIES SCOTLAND LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
*As at 31 December 2019*

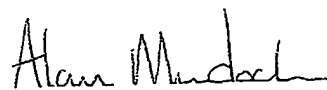
	Notes	2019 £	2018 £
<b>Fixed Assets</b>			
Tangible fixed assets	11	<u>1,690,949</u>	<u>1,926,432</u>
<b>Current assets</b>			
Stocks	12	779,574	781,492
Debtors: amounts falling due within one year	13	2,066,023	2,265,422
Cash at bank and in hand	14	<u>279,045</u>	<u>391,460</u>
		3,124,642	3,438,374
<b>Current liabilities</b>			
Creditors: amounts falling due within one year	15	<u>(1,728,920)</u>	<u>(2,475,438)</u>
<b>Net current assets</b>		<u>1,395,722</u>	<u>962,936</u>
<b>Total assets less current liabilities</b>		<u>3,086,671</u>	<u>2,889,368</u>
Creditors: amounts falling due after more than one year	16	(179,907)	(313,952)
Deferred tax	18	<u>(222,473)</u>	<u>(251,668)</u>
<b>Net assets</b>		<u><u>2,684,291</u></u>	<u><u>2,323,748</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	246,990	246,990
Share premium account	21	115,000	115,000
Profit and loss account	21	<u>2,322,301</u>	<u>1,961,758</u>
<b>Shareholders' funds</b>		<u><u>2,684,291</u></u>	<u><u>2,323,748</u></u>

The financial statements were approved and authorised for issue by the board:

On behalf of the board:



Brian Dickstein  
Director



Alan Murdoch  
Director

20/5/20  
Date

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**TREND TECHNOLOGIES SCOTLAND LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
*For the year ended 31 December 2019*

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	Called-up Share capital £	Share premium account £	Profit & loss account £	Total equity £
<b>At 1 January 2018</b>	<u>246,990</u>	<u>115,000</u>	<u>1,616,987</u>	<u>1,978,977</u>
Profit for the year	-	-	459,770	459,770
Dividends: Equity capital	-	-	(114,999)	(114,999)
<b>At 31 December 2018</b>	<u>246,990</u>	<u>115,000</u>	<u>1,961,758</u>	<u>2,323,748</u>
Profit for the year	-	-	485,543	485,543
Dividends: Equity capital	-	-	(125,000)	(125,000)
<b>At 31 December 2019</b>	<u>246,990</u>	<u>115,000</u>	<u>2,322,301</u>	<u>2,684,291</u>

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# **TREND TECHNOLOGIES SCOTLAND LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **1. GENERAL INFORMATION**

Trend Technologies Scotland Limited is a private company, limited by shares, which is registered and incorporated in Scotland, with a registered office at Unit A Glover Road, Westwood Park, Glenrothes, Fife, KY7 4AD. The company is tax resident in the United Kingdom.

### **2. ACCOUNTING POLICIES**

The significant accounting policies adopted by the company are as follows:

#### **a) *Basis of preparation of financial statements***

The financial statements have been prepared in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and UK statute comprising of 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 management to exercise judgment in applying the company's accounting policies (see note 3).

The financial statements are presented in Sterling £.

The company is a qualifying entity for the purposes of FRS 102 being a member of a group where the parent of that group prepares publicly available consolidated financial statements including this company.

This information is included in the consolidated financial statements of Trend Technologies Group Limited as at 31 December 2019 and these financial statements may be obtained from the Companies Registration Office at Bloom House, Gloucester Place Lower, Dublin 1.

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows and paragraph 3.17(d);
- the requirements of Section 26 Share-based Payment paragraphs 26.18(b), 26.19 to 26.21 and 26.23;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

The following principal accounting policies have been applied:

#### **b) *Going concern***

After reviewing the company's forecasts and projections, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. The company therefore continues to adopt the going concern basis in preparing its financial statements.

#### **c) *Revenue***

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

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## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 2. ACCOUNTING POLICIES (continued)

##### **Sale of goods**

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

- the Company has transferred the significant risks and rewards of ownership to the buyer,
- the Company 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 Company 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.

##### **d) Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

##### **e) Operating leases: The Company as lessee**

Rentals paid under operating leases are charged to the Statement of Comprehensive income on a straight-line basis over the lease term.

##### **f) Pensions**

###### **Defined contribution pension plan**

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

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position. The assets of the plan are held separately from the Company in independently administered funds.

##### **g) Foreign currency translation**

###### **Functional and presentation currency**

The Company's functional and presentational currency is Sterling £.

###### **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 exchange rate prevailing on the reporting end date. 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.



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## **TREND TECHNOLOGIES SCOTLAND LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **2. ACCOUNTING POLICIES (continued)**

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 the Statement of comprehensive income except when deferred in Other Comprehensive Income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive Income within 'finance income or costs'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

##### ***h) Current and deferred taxation***

The tax expense for the year comprises current and deferred tax. Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

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

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Statement of Financial Position 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; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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 reporting date.

##### ***i) Dividends***

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting. Dividends on shares recognised as liabilities are recognised as expenses and classified within interest payable.

##### ***j) Tangible fixed assets***

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over their expected useful life as follows:

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## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 2. ACCOUNTING POLICIES (continued)

	Period	Principal annual rate
Large Plant	12 Years	Straight Line
Other Plant & Equipment	7 Years	Straight Line
Computers and Software	3 Years	Straight Line
Leasehold Improvements	Over lease Period	Straight Line
Furniture and Fittings	3 Years	Straight Line
Vehicles	4-6 Years	Reducing Balance

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

#### *k) Leased assets: the Company as lessee*

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Comprehensive Income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### *l) Impairment*

At each reporting date fixed assets are reviewed to determine whether there is any indication that those assets have suffered an impairment loss. If there is an indication of possible impairment, the recoverable amount of any affected asset is estimated and compared with its carrying amount. If estimated recoverable amount is lower, the carrying amount is reduced to its estimated recoverable amount, and an impairment loss is recognised immediately in profit or loss.

If an impairment loss subsequently reverses, the carry amount of the asset is increased to the revised estimate of its recoverable amount, but not in excess of the amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

#### *m) Stocks*

Stocks and work in progress are valued at the lower of cost and estimated net realisable value, after making due allowance for obsolete and slow moving items. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

#### *n) Debtors*

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, inclusive of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

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## **TREND TECHNOLOGIES SCOTLAND LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **2. ACCOUNTING POLICIES (continued)**

##### ***o) 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.

##### ***p) Financial instruments***

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

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

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

##### ***q) Creditors***

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, including transaction costs, and are measured subsequently at amortised cost using the effective interest method.

##### ***r) Government grants***

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of Comprehensive Income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors (both current and non-current as appropriate) as it equates to deferred income.

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

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## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 2. ACCOUNTING POLICIES (continued)

##### s) *Provision for liabilities*

Provisions are made where an event has taken place that gives the Company 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 the Statement of Comprehensive Income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of Financial Position 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 Statement of Financial Position.

#### 3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When preparing the financial statements, management undertakes a number of judgements, estimates and assumptions about the recognition and measurement of assets, liabilities, income and expenses.

The following are significant management judgements in applying the accounting policies of the company that have the most significant effect on the financial statements:

##### **Useful lives of depreciable assets**

The annual depreciation charge depends primarily on the estimated lives of each type of asset and, in certain circumstances, estimates of fair values and residual values. The directors annually review these asset lives and adjust them as necessary to reflect current thinking on remaining lives in light of technological change, prospective economic utilisation and physical condition of the assets concerned. Changes in asset lives can have significant impact on depreciation charges for the period. It is not practical to quantify the impact of changes in asset lives on an overall basis, as asset lives are individually determined, and there are a significant number of asset lives in use. The impact of any change would vary significantly depending on the individual changes in assets and the classes of assets impacted.

##### **Recoverability of trade receivables**

The directors considered the recoverability of the company's balances due under contracts which is included in the balance sheet at 31 December 2019 at £1,978,659 (31 December 2018: £2,178,613). The directors have considered the ability of these customers to have the relevant facilities available to pay for these contracts. Based on these reviews, the directors are satisfied with the recoverability of balances due at the balance sheet date.

##### **Inventories**

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. The provision amount included in the financial statements at the year-end is £126,710 (2018: £73,329).

## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 4. OTHER OPERATING INCOME

	2019 £	2018 £
Government grants released to profit or loss	28,500	42,803

#### 5. OPERATING PROFIT

The operating profit is stated after charging / (crediting:

	2019 £	2018 £
Depreciation of tangible fixed assets	275,728	277,040
Profit on sale of tangible fixed assets	-	(1,349)
Operating leases - Land and buildings	280,256	239,173
Operating leases – Other	18,382	23,395
Auditor's remuneration – Audit services	9,193	8,168
Exchange differences	3,865	3,469
Defined contribution pension cost	143,882	81,663

#### 6. STAFF COST

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

	2019 £	2018 £
Wages and salaries	2,904,205	2,726,922
Social security costs	277,035	261,220
Cost of defined contribution scheme	143,882	88,354
	<u>3,325,122</u>	<u>3,076,496</u>

The average monthly number of employees, including directors, during the year was 118 (2018: 111).

## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 7. DIRECTORS' REMUNERATION

	2019 £	2018 £
Directors' emoluments	173,034	185,476
Directors' national insurance	21,604	23,284
Directors' pension costs	46,897	13,090
	<u>241,535</u>	<u>221,850</u>
 No. directors as members of defined contribution scheme	 <u>2</u>	 <u>2</u>

#### 8. INTEREST PAYABLE AND SIMILAR CHARGES

	2019 £	2018 £
Hire purchase interest payable	38,445	57,922
Invoice discounting interest	4,981	16,877
	<u>43,426</u>	<u>74,799</u>

#### 9. TAXATION

	2019 £	2018 £
<b>Corporation tax</b>		
Current tax on profits for the year	125,095	72,904
R&D tax credit	(33,381)	(87,449)
Total current tax charge / (credit)	<u>91,714</u>	<u>(14,545)</u>
 <b>Deferred Tax</b>		
Deferred tax: (Credited) / charged to profit or loss (Note 18)	(29,195)	17,973
Total deferred tax (credit) / charge	<u>(29,195)</u>	<u>17,973</u>
 Taxation on profit on ordinary activities	 <u>62,519</u>	 <u>3,428</u>

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## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 9. TAXATION (continued)

##### Factors affecting tax charge for the year

The tax assessed for the year is lower than (2018 - lower than) the profit for the year multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Profit on ordinary activities before taxation	548,062	463,198
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	104,132	88,008
<b>Effects of:</b>		
Difference between capital allowances and depreciation	25,456	(8,901)
Income / expenses not deductible for tax purposes	913	893
(Reversal) / origination of temporary timing differences	(29,195)	17,973
Other timing differences	(5,406)	(7,096)
R&D Tax credit	(33,381)	(87,449)
Total tax charge for the year	<u>62,519</u>	<u>3,428</u>

#### 10. DIVIDENDS

	2019 £	2018 £
Ordinary shares - paid £0.5061 (2018: £0.4656) per share	<u>125,000</u>	<u>114,999</u>

## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 11. PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Fixtures and Fittings	Equipment & tooling	Computer equipment & software	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2019	78,819	213,148	3,755,613	208,107	4,255,687
Additions	-	-	40,245	-	40,245
Disposals	-	(12,955)	(497,147)	(47,200)	(557,302)
At 31 December 2019	<u>78,819</u>	<u>200,193</u>	<u>3,298,711</u>	<u>160,907</u>	<u>3,737,998</u>
<b>Accumulated depreciation</b>					
At 1 January 2019	52,939	114,039	1,969,834	192,443	2,329,255
Charge for the year	6,472	21,437	238,007	9,812	275,728
Disposals	-	(12,955)	(497,147)	(47,200)	(557,302)
At 31 December 2019	<u>59,411</u>	<u>122,521</u>	<u>1,710,694</u>	<u>155,055</u>	<u>2,047,049</u>
<b>Net book value</b>					
At 31 December 2019	<u>19,408</u>	<u>77,672</u>	<u>1,588,017</u>	<u>5,852</u>	<u>1,690,949</u>
At 31 December 2018	<u>25,880</u>	<u>99,109</u>	<u>1,785,779</u>	<u>15,664</u>	<u>1,926,432</u>

The net book value of tangible fixed assets includes £1,123,534 (2018: £1,634,831) in respect of assets held under hire purchase agreements. Depreciation charged on these assets in the year amounted to £118,391 (2018: £194,492).

#### 12. STOCKS

	2019 £	2018 £
Raw materials and consumables	530,307	573,166
Work in progress	48,783	148,205
Finished goods and goods for resale	200,484	60,121
	<u>779,574</u>	<u>781,492</u>

Stock recognised in cost of sales during the year as an expense was £5,579,681 (2018: £4,836,344).

The replacement cost of stock does not differ significantly from the figures shown above.

Stock provision included in the above figures amounted to £126,710 (2018: £73,329)



## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 13. DEBTORS

Amounts fully due within one year

	2019 £	2018 £
Trade debtors	1,970,419	2,178,599
Amounts owed by group undertakings	8,240	14
Other debtors	10,474	11,303
Prepayments	76,890	75,506
	<u>2,066,023</u>	<u>2,265,422</u>

Amounts owed by group undertakings are unsecured, interest free and repayable on demand.

#### 14. CASH AND CASH EQUIVALENTS

	2019 £	2018 £
Cash at bank and in hand	<u>279,045</u>	<u>391,460</u>

#### 15. CREDITORS - Amounts falling due within one year

	2019 £	2018 £
Trade creditors	658,469	834,971
Amounts owed to group undertakings	29,773	16,238
Corporation tax	124,645	72,166
Other taxation and social security	156,325	197,679
Obligations under finance leases (Note 17)	145,223	309,371
Factored debts	294,117	597,536
Accruals	318,874	418,977
Government grants received (Note 19)	1,494	28,500
	<u>1,728,920</u>	<u>2,475,438</u>

Trade and other creditors, including accruals, are payable at various dates over the coming months in accordance with the suppliers' usual and customary credit terms.

Amounts owed to group undertakings are unsecured, interest free and have no fixed repayment terms.

Taxes including social insurance and VAT are repayable at various dates over the coming months in accordance with the applicable statutory provisions.

Obligations under finance leases are secured by the assets to which they relate. Finance leases are repayable at various dates over the coming months in accordance with the terms of the agreement. The repayment terms of finance leases due after one year are set out below.

Proceeds of factored debts are secured against trade debtors.

## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

**16. CREDITORS - Amounts falling due after more than one year**

	2019 £	2018 £
Obligations under finance leases (Note 17)	179,907	312,458
Government grants received (Note 19)	-	1,494
	<u>179,907</u>	<u>313,952</u>

**17. HIRE PURCHASE AND FINANCE LEASES**

Minimum lease payments under hire purchase fall due as follows:

	2019 £	2018 £
Within one year	145,223	309,371
Between 1- 2 years	97,921	139,056
Between 2- 5 years	81,986	173,402
	<u>325,130</u>	<u>621,829</u>

Lease liabilities are secured on the leased assets.

**18. DEFERRED TAXATION**

	2019 £	2018 £
At 1 January	251,668	233,695
(Credited) / charged to profit or loss	(29,195)	17,973
At 31 December	<u>222,473</u>	<u>251,668</u>

The provision for deferred taxation is made up as follows:

	2019 £	2018 £
Accelerated capital allowances	222,747	257,367
Grant reserve	(274)	(5,699)
	<u>222,473</u>	<u>251,668</u>

**19. GOVERNMENT GRANTS**

	2019 £	2018 £
Received and Receivable		
At 1 January	674,055	667,525
Grants received during the year	-	6,530
At 31 December	<u>674,055</u>	<u>674,055</u>

## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

#### 19. GOVERNMENT GRANTS (continued)

	2019 £	2018 £
<b>Amortised</b>		
At 1 January	644,061	601,258
Released to profit or loss	28,500	42,803
At 31 December	<u>672,561</u>	<u>644,061</u>
 Balance at 31 December	 <u>1,494</u>	 <u>29,994</u>

#### 20. SHARE CAPITAL

	2019 £	2018 £
<b>Authorised, allotted, called up and fully paid</b>		
32,217 Ordinary Shares of £1 each	32,217	32,217
214,773 A Ordinary Shares of each	<u>214,773</u>	<u>214,773</u>
	<u>246,990</u>	<u>246,990</u>

#### 21. RESERVES

##### Share capital

Called-up share capital represents the nominal value of shares that have been issued.

##### Share premium account

Share premium account includes any premiums received on issue of share capital. Any transaction costs associated with the issuing of shares are deducted from share premium.

##### Profit and loss account

Includes all current and prior period retained profits and losses.

#### 22. COMMITMENTS

##### (a) Operating lease commitments

At 31 December, the company has future minimum lease payments under non-cancellable operating leases as follows:

	Land & buildings 2019 £	Others 2019 £	Land & buildings 2018 £	Others 2018 £
Not later than one year	280,526	13,059	266,526	18,385
Between 1 - 2 years	280,526	13,059	280,526	13,059
Between 2 - 5 years	476,455	3,747	589,528	16,806
Later than 5 years	-	-	12,877	-
	<u>1,037,507</u>	<u>29,865</u>	<u>1,149,457</u>	<u>48,250</u>

##### (b) Capital commitments

There were £44,000 of outstanding contracts for capital expenditure at 31 December 2019.

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## **TREND TECHNOLOGIES SCOTLAND LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

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#### **23. RELATED PARTY TRANSACTIONS**

During the year the company had transactions with the following related parties which are deemed related parties due to common ownership:

Trend Technologies LLC, China: At 31 December 2019 the balance owed by Trend Technologies Scotland Limited is £Nil (31 December 2018: £16,238). Sales to Trend Technologies LLC, China during the year amounted to £Nil.

Trend Technologies LLC, Chicago: At 31 December 2019, the balance owed by Trend Technologies Scotland Limited is £29,773 (31 December 2018: £Nil). During the year 2019 Trend Technologies Scotland Limited made sales to Trend Technologies LLC, Chicago which amounted to £8,359. During the year 2019 Trend Technologies Scotland Limited made purchases from Trend Technologies LLC, Chicago which amounted to £8,497. At 31 December 2019, the balance due by Trend Technologies LLC Chicago is £8,240 (2018: £Nil).

During the year 2019 Trend Technologies Scotland Limited paid a corporate management charges of £167,000 and £43,147 to Trend Technologies LLC Chicago and Trend Technologies Group Limited (2018: £Nil) respectively.

Trend Slovakia s.r.o: At 31 December 2019, the balance owed by Trend Technologies Scotland Limited is £Nil (31 December 2018: £Nil). During the year 2019 Trend Technologies Scotland Limited made sales to Trend Slovakia s.r.o which amounted to £810. During the year 2019 Trend Technologies Scotland Limited made purchases from Trend Slovakia s.r.o which amounted to £1,072.

#### **24. SUBSEQUENT EVENTS**

The Coronavirus pandemic has created uncertainty as to volumes of work and availability of resources. The directors have taken steps they believe will allow the company to maintain such operations as necessary. They believe the company has adequate resources of its own with assistance, if required, available from government and group resources to allow it to meet its obligations for the foreseeable future until restrictions are relaxed and then removed.

There are no other subsequent events that have affected the company.

#### **25. CONTROLLING PARTY**

Trend Technologies Group Limited registered in Ireland is the immediate parent company and the ultimate parent undertaking is EEP Holdings LLC, a company incorporated in the USA.

The largest and smallest groups in which the results of the company are consolidated are those headed by EEP Holdings LLC and Trend Technologies Group Limited respectively. The group financial statements of EEP Holdings LLC are not available to the public. The group financial statements of Trend Technologies Group Limited are available to the public at the Companies Registration Office, Bloom House, Gloucester Place lower, Dublin 1

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## TREND TECHNOLOGIES SCOTLAND LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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#### 26. FINANCIAL INSTRUMENTS

The analysis of the carrying amounts of the financial instruments of the company required under section 11 of FRS 102 is as follows:

	2019 £	2018 £
<i>Financial assets that are debt instruments measured at amortised cost</i>		
Trade debtors	1,970,419	2,178,599
Amounts owed by group undertakings	8,240	14
Other debtors	10,474	11,303
Cash at bank and in hand	<u>279,045</u>	<u>391,460</u>
<i>Financial liabilities measured at amortised cost:</i>		
Trade creditors	658,469	834,971
Amounts owed to group	29,773	16,238
Obligations under finance lease	145,223	309,371
Factored debts	294,117	597,536
Other creditors	11,120	12,800
Accruals	<u>307,754</u>	<u>406,177</u>

#### 27. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board on 20/5/20.