

**GROUP STRATEGIC REPORT,
REPORT OF THE DIRECTORS AND
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2020
FOR
TRATOS (UK) LIMITED**

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for the year ended 31 December 2020**

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TRATOS (UK) LIMITED

COMPANY INFORMATION
for the year ended 31 December 2020

DIRECTORS:
Dr Albano Bragagni
Dr Maurizio Bragagni
Mr Germano Bragagni
Dr Ennio Bragagni Capaccini
Dr Elisabetta Bragagni Capaccini
Dr Enrico Scambia
Mr Kevin Martin

SECRETARY: Mr Kevin Martin

REGISTERED OFFICE:
Randles Road
Knowsley Business Park
Knowsley
L34 9HX

BUSINESS ADDRESS:
Randles Road
Knowsley Business Park
Knowsley
L34 9HX

REGISTERED NUMBER: 01524815 (England and Wales)

SENIOR STATUTORY AUDITOR: Mr James Timothy Card FCCA

AUDITOR:
Hewitt Card Limited
Statutory Auditor
70-72 Nottingham Road
Mansfield
Nottinghamshire
NG18 1BN

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

The directors present their strategic report of the company and the group for the year ended 31 December 2020.

Our objectives are to provide a reliable, competitive and high quality supply of cable, and after sales care to the public and corporate customers. This is backed up by specialist knowledge built up through the combined experience of our staff.

Through this we aim to achieve an acceptable return for the shareholders and provide for longer term planning to secure the future of the Group.

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

REVIEW OF BUSINESS

2020 was an extraordinary year and the challenges presented by the COVID-19 pandemic caused Tratos and the UK industry wide, to rethink how it will operate over the long-term. Increased uncertainty is what we have been left with after the multiple events that have affected our world this year.

Coronavirus led to a global crisis, with borders slammed shut, economies plunged, and unprecedented peacetime measures were imposed on populations all over the world, as global leaders responded to a health crisis which has changed the course of history.

Lockdowns also meant organisations could only have a limited number of people meeting at any one time and so technology had to be invested in as workforces became increasingly home-based.

Tratos was able to mitigate some of the risks associated with the pandemic, thanks to the determination of its management and employees. Tratos' people kept working under extraordinary conditions, often risking their health, to keep its factories open, as during the pandemic it was proved that Tratos' cables were essential for the society to carry on. In addition, thanks to Tratos' excellent engagement with all the stakeholders and partners, we achieved to have only a few furloughed employees with only one factory temporarily stopped production, the Genova one, since its client stopped operating.

While coronavirus may have dominated 2020 globally, in the UK, Brexit was back on the cards, as in early January the UK formally left the EU and on January 31 embarked on a 11-month transition period.

There is the uncertainty of what Brexit might bring, there is the risk of a trade conflict between major world economies, there is the unpredictability of COVID-19 and its massive impact in our lives, our ways of doing business and our economy.

But with great challenges comes great innovation, which is at the heart of Tratos' business. Tratos has always had a clear vision: to produce cables for a moving world, to produce innovative cable solutions to keep people connected. Innovation is the foundation of our work; we innovate to give a valuable contribution to the world. Our efforts to innovate granted us the opportunity to receive the Queen's Award for Enterprise and, proud of the recognition received by Her Majesty the Queen, we must go forward, and we must attempt to bring new innovative solutions also in the future.

Tratos cables were at the heart of technology driven remote models of business and communication during the pandemic. As well, the pandemic proved that Tratos has in place sound health & safety policies, which helped it to navigate smoothly and with confidence during these unprecedented times of living/coping with covid-19.

Tratos has taken great care of its employees, as well as shown great responsibility for the environment. Tratos products are fully recycled and made in respect of environmental standards. It is proud of its environmentally friendly cables that are connecting and powering the world.

In implementing its sustainable development strategy, Tratos has committed itself to adopt high standards, often going beyond legal requirements, on the sustainability issues that matter to our business, employees, the communities that host us and the customers that buy and use our products.

Throughout the years, Tratos has been consistent in achieving its goals, by excelling in showing high-quality social and environmental performance across all its operations and in increasing its stakeholders' knowledge on its working practices through meaningful disclosures and transparency.

Tratos will continue to deliver on the values and principles Tratos has been standing for- the 17 UN Sustainable development Goals, source of inspiration to our credo and culture of innovation and constitute the basement for our past present and future actions.

We are one of the few companies that has been committed to achieve all these goals since. At Tratos we have always strived to create jobs in poor areas, to promote growth in local communities, to guarantee equal opportunities and many other activities which are aimed at having a positive impact in our world.

As 2021 gets underway, Tratos remains committed to finding innovative ways to adapt to the new combined environment that COVID-19 and Brexit present. Tratos will continue to build on its sustainable development strategy, and through innovation will advance further the continuous transformation of its business to a more sustainable one, to a more circular one.

As it is an innovative company, it has plans to transform the Knowsley factory to deliver more on the UK Rail sector, as well to enter the offshore wind market, which has a great potential for the green economic recovery.

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

Tratos has been planning for a long time and now is ready to scale up the production of subsea cables in a deprived economic area of the UK. Building on its investment in Knowsley, Tratos would be proud to become a UK Government green economic recovery partner and help deliver its ambitious goal on net zero emissions by 2050.

We are living through challenging times, where uncertainty reigns and the Covid-19 pandemic is expected to be a risk multiplier.

However, Tratos will always stand for its values, and we will make sure that those values will be embraced by our shareholders. It is fundamental to understand the paramount importance of having ideals which guides our decisions.

It is difficult to point to a 21st century technology that is not powered or enabled with cable. Cable keeps the world moving: Tratos is manufacturing cable for a moving world, but it is innovating to make the world better, too. The company is serious in playing an active role in achieving the UN's 17 Sustainable Development Goals. Every day it innovates to help deliver them.

Taking into consideration all the above, it is not possible to delineate a more detailed report. The only thing that we can do is to be consistent and loyal to what we have built until now.

We will go through difficult times but if we have faith in what we stand for we will be able to overcome even the biggest obstacles.

The key performance indicators by which financial performance is measured are as follows:-

	2020	2019
Turnover	£18.77m	£19.5m
Gross profit percentage	21.49%	20.58%
Net (loss)/profit	(£16k)	£(586k)
Shareholders funds	£4.6m	£4.6m

PRINCIPAL RISKS AND UNCERTAINTIES

Uncertainties will continue to increase. There is the uncertainty of what Brexit might bring, there is the risk of a trade conflict between major world economies, and the Covid-19 pandemic is expected to be a risk multiplier.

Raw materials prices are likely to increase, shipping delays and some constraints on the production capacity of suppliers are to be expected and managed through a robust and forward-looking approach to supply chains' engagement.

Analysts expect the economic rebound will be stronger in the second half of 2021, with a V-shape recovery pattern to be observed in the major world economies. In the UK, economic growth will be moderate. The impact of Brexit is still evolving.

Other major risks that Tratos will face are those arising from competition in the marketplace particularly in the form of price and supply.

In addition, effective working capital management is required to ensure that products are available at the right time.

The provision of specialist knowledge is also key to adding value and achieving our aim of a quality service and so retention of experienced and knowledgeable staff is a risk we face.

ON BEHALF OF THE BOARD:

Mr Kevin Martin - Secretary

28 June 2021

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

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

PRINCIPAL ACTIVITIES

The principal activities of the group in the year under review were those of the manufacture and distribution of electrical cables.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2020.

DIRECTORS

The directors during the year under review were:

Dr Albano Bragagni
Dr Maurizio Bragagni
Mr Germano Bragagni
Dr Ennio Bragagni Capaccini
Dr Elisabetta Bragagni Capaccini
Dr Enrico Scambia
Mr Kevin Martin

The beneficial interests of the directors holding office on 31 December 2020 in the issued share capital of the company were as follows:

	31.12.20	1.1.20
Ordinary A £1 shares		
Dr Albano Bragagni	22,060	22,060
Dr Maurizio Bragagni	375,020	375,020
Mr Germano Bragagni	-	-
Dr Ennio Bragagni Capaccini	176,480	176,480
Dr Elisabetta Bragagni Capaccini	176,480	176,480
Dr Enrico Scambia	-	-
Mr Kevin Martin	-	-
Ordinary B £1 shares		
Dr Albano Bragagni	-	-
Dr Maurizio Bragagni	-	-
Mr Germano Bragagni	-	-
Dr Ennio Bragagni Capaccini	-	-
Dr Elisabetta Bragagni Capaccini	-	-
Dr Enrico Scambia	-	-
Mr Kevin Martin	-	-
Ordinary C £1 shares		
Dr Albano Bragagni	-	-
Dr Maurizio Bragagni	-	-
Mr Germano Bragagni	-	-
Dr Ennio Bragagni Capaccini	-	-
Dr Elisabetta Bragagni Capaccini	-	-
Dr Enrico Scambia	-	-
Mr Kevin Martin	-	-

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

FINANCIAL INSTRUMENTS

The Company's main risks are the maintenance of sufficient product stock to ensure a continuous supply to market together with the maintenance of a competitive price base.

This is achieved through regular review of inventory levels together with review of sales trends and market analysis.

In addition liquid funds are reviewed and managed on a daily basis by the directors to ensure funds are available to meet the on going and anticipated future commitments of the company.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Group Strategic Report, the Report of the Directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

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

AUDITOR

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

ON BEHALF OF THE BOARD:

Mr Kevin Martin - Secretary

28 June 2021

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF TRATOS (UK) LIMITED

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2020 and of the group's loss 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 Auditor 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and 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.

Other information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF TRATOS (UK) LIMITED

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 Report of the Directors.

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the 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 a Report of the Auditor that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

We have adopted a risk based approach based upon analytical procedures and knowledge of the clients systems and environment it operates in.. We have assessed the impact of Covid 19 and the potential for irregularities from this.

This enables us to design and perform audit procedures responsive to those risks; and obtain audit evidence that is sufficient and appropriate to provide a basis for the audit opinion.

To obtain an understanding of internal control where relevant to the audit to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

To evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

To conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern.

The likelihood of detecting irregularities is inherently difficult and we have designed our tests and procedures to reduce this risk.

- We have enquired of management and the company's solicitors around actual and potential litigation and claims
- Review of company minutes of meetings of those charged with governance.
- Reviewing financial statements disclosure and testing supporting documentation to assess compliance with applicable laws and regulations
- Review and testing of management override of controls, including through testing journal entries and other adjustments for appropriateness and evaluating the business rationale of significant transactions.

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. This description forms part of our Report of the Auditor.

REPORT OF THE INDEPENDENT AUDITOR TO THE MEMBERS OF TRATOS (UK) LIMITED

Use of our report

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

Mr James Timothy Card FCCA (Senior Statutory Auditor)
for and on behalf of Hewitt Card Limited
Statutory Auditor
70-72 Nottingham Road
Mansfield
Nottinghamshire
NG18 1BN

30 June 2021

TRATOS (UK) LIMITED (REGISTERED NUMBER: 01524815)

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

	Notes	31.12.20 £	31.12.19 £
TURNOVER		18,770,362	19,516,201
Cost of sales		<u>14,736,865</u>	<u>15,500,083</u>
GROSS PROFIT		4,033,497	4,016,118
Administrative expenses		<u>3,858,279</u>	<u>4,692,089</u>
		175,218	(675,971)
Other operating income		<u>114,368</u>	<u>258,127</u>
OPERATING PROFIT/(LOSS)	4	289,586	(417,844)
Interest payable and similar expenses	5	<u>176,130</u>	<u>206,606</u>
PROFIT/(LOSS) BEFORE TAXATION		113,456	(624,450)
Tax on profit/(loss)	6	<u>129,536</u>	<u>(37,835)</u>
LOSS FOR THE FINANCIAL YEAR		(16,080)	(586,615)
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		(16,080)	(586,615)
Loss attributable to:			
Owners of the parent		<u>(16,080)</u>	<u>(586,615)</u>
Total comprehensive income attributable to:			
Owners of the parent		<u>(16,080)</u>	<u>(586,615)</u>

The notes form part of these financial statements

CONSOLIDATED BALANCE SHEET
31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
FIXED ASSETS					
Intangible assets	9		478,118		308,862
Tangible assets	10		17,336,926		17,784,936
Investments	11		-		-
			<u>17,815,044</u>		<u>18,093,798</u>
CURRENT ASSETS					
Stocks	12	7,647,903		8,385,130	
Debtors	13	2,695,650		2,351,163	
Cash at bank and in hand		<u>868,126</u>		<u>1,468,708</u>	
		11,211,679		12,205,001	
CREDITORS					
Amounts falling due within one year	14	<u>10,916,321</u>		<u>12,824,426</u>	
NET CURRENT ASSETS/(LIABILITIES)			<u>295,358</u>		<u>(619,425)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>18,110,402</u>		<u>17,474,373</u>
CREDITORS					
Amounts falling due after more than one year	15		(12,904,788)		(12,382,215)
PROVISIONS FOR LIABILITIES	19		<u>(614,090)</u>		<u>(484,554)</u>
NET ASSETS			<u>4,591,524</u>		<u>4,607,604</u>
CAPITAL AND RESERVES					
Called up share capital	20		4,000,080		4,000,080
Capital redemption reserve	21		32		32
Retained earnings	21		<u>591,412</u>		<u>607,492</u>
SHAREHOLDERS' FUNDS			<u>4,591,524</u>		<u>4,607,604</u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2021 and were signed on its behalf by:

Dr Maurizio Bragagni - Director

COMPANY BALANCE SHEET
31 December 2020

	Notes	31.12.20 £	£	31.12.19 £	£
FIXED ASSETS					
Intangible assets	9		478,118		308,862
Tangible assets	10		17,322,078		17,779,140
Investments	11		<u>100</u>		<u>100</u>
			17,800,296		18,088,102
CURRENT ASSETS					
Stocks	12	7,647,903		8,385,130	
Debtors	13	2,714,415		2,478,869	
Cash at bank and in hand		<u>833,909</u>		<u>1,321,514</u>	
		11,196,227		12,185,513	
CREDITORS					
Amounts falling due within one year	14	<u>10,886,895</u>		<u>12,800,706</u>	
NET CURRENT ASSETS/(LIABILITIES)			309,332		(615,193)
TOTAL ASSETS LESS CURRENT LIABILITIES			18,109,628		17,472,909
CREDITORS					
Amounts falling due after more than one year	15		(12,904,788)		(12,382,215)
PROVISIONS FOR LIABILITIES	19		(614,090)		(484,554)
NET ASSETS			4,590,750		4,606,140
CAPITAL AND RESERVES					
Called up share capital	20		4,000,080		4,000,080
Capital redemption reserve	21		32		32
Retained earnings	21		<u>590,638</u>		<u>606,028</u>
SHAREHOLDERS' FUNDS			4,590,750		4,606,140
Company's loss for the financial year			(15,390)		(584,471)

The financial statements were approved by the Board of Directors and authorised for issue on 28 June 2021 and were signed on its behalf by:

Dr Maurizio Bragagni - Director

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

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2019	4,000,080	1,194,107	32	5,194,219
Changes in equity				
Total comprehensive income	-	(586,615)	-	(586,615)
Balance at 31 December 2019	<u>4,000,080</u>	<u>607,492</u>	<u>32</u>	<u>4,607,604</u>
Changes in equity				
Total comprehensive income	-	(16,080)	-	(16,080)
Balance at 31 December 2020	<u>4,000,080</u>	<u>591,412</u>	<u>32</u>	<u>4,591,524</u>

The notes form part of these financial statements

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

	Called up share capital £	Retained earnings £	Capital redemption reserve £	Total equity £
Balance at 1 January 2019	4,000,080	1,190,499	32	5,190,611
Changes in equity				
Total comprehensive income	-	(584,471)	-	(584,471)
Balance at 31 December 2019	<u>4,000,080</u>	<u>606,028</u>	<u>32</u>	<u>4,606,140</u>
Changes in equity				
Total comprehensive income	-	(15,390)	-	(15,390)
Balance at 31 December 2020	<u>4,000,080</u>	<u>590,638</u>	<u>32</u>	<u>4,590,750</u>

The notes form part of these financial statements

CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 December 2020

	Notes	31.12.20 £	31.12.19 £
Cash flows from operating activities			
Cash generated from operations	1	1,294,240	383,139
Interest paid		(176,130)	(206,606)
Tax paid		176,916	(5,283)
Net cash from operating activities		<u>1,295,026</u>	<u>171,250</u>
Cash flows from investing activities			
Purchase of intangible fixed assets		(169,256)	(186,663)
Purchase of tangible fixed assets		(255,275)	(488,595)
Sale of tangible fixed assets		-	20,991
Net cash from investing activities		<u>(424,531)</u>	<u>(654,267)</u>
Cash flows from financing activities			
Loan repayments in year		(265,841)	(441,328)
Net cash from financing activities		<u>(265,841)</u>	<u>(441,328)</u>
Increase/(decrease) in cash and cash equivalents		<u>604,654</u>	<u>(924,345)</u>
Cash and cash equivalents at beginning of year	2	(1,177,066)	(252,721)
Cash and cash equivalents at end of year	2	<u>(572,412)</u>	<u>(1,177,066)</u>

The notes form part of these financial statements

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

1. RECONCILIATION OF PROFIT/(LOSS) BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	31.12.20	31.12.19
	£	£
Profit/(loss) before taxation	113,456	(624,450)
Depreciation charges	703,285	708,154
Loss on disposal of fixed assets	-	3,660
Finance costs	176,130	206,606
	<u>992,871</u>	<u>293,970</u>
Decrease/(increase) in stocks	737,227	(1,535,276)
(Increase)/decrease in trade and other debtors	(521,403)	2,139,830
Increase/(decrease) in trade and other creditors	85,545	(515,385)
Cash generated from operations	<u>1,294,240</u>	<u>383,139</u>

2. CASH AND CASH EQUIVALENTS

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

Year ended 31 December 2020

	31.12.20	1.1.20
	£	£
Cash and cash equivalents	868,126	1,468,708
Bank overdrafts	<u>(1,440,538)</u>	<u>(2,645,774)</u>
	<u>(572,412)</u>	<u>(1,177,066)</u>

Year ended 31 December 2019

	31.12.19	1.1.19
	£	£
Cash and cash equivalents	1,468,708	286,718
Bank overdrafts	<u>(2,645,774)</u>	<u>(539,439)</u>
	<u>(1,177,066)</u>	<u>(252,721)</u>

3. ANALYSIS OF CHANGES IN NET DEBT

	At 1.1.20	Cash flow	At 31.12.20
	£	£	£
Net cash			
Cash at bank and in hand	1,468,708	(600,582)	868,126
Bank overdrafts	<u>(2,645,774)</u>	<u>1,205,236</u>	<u>(1,440,538)</u>
	<u>(1,177,066)</u>	<u>604,654</u>	<u>(572,412)</u>
Debt			
Debts falling due within 1 year	(446,061)	(315,780)	(761,841)
Debts falling due after 1 year	<u>(3,486,409)</u>	<u>581,621</u>	<u>(2,904,788)</u>
	<u>(3,932,470)</u>	<u>265,841</u>	<u>(3,666,629)</u>
Total	<u>(5,109,536)</u>	<u>870,495</u>	<u>(4,239,041)</u>

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

1. STATUTORY INFORMATION

Tratos (UK) Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the General Information page.

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

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

These financial statements have been prepared on the going concern basis, the validity of which is dependent upon the continuing support of the parent company.

The coronavirus pandemic has significantly disrupted individuals' personal lives and businesses' economic prospects in the UK and across the globe. The UK entered lockdown in March 2020 and some restrictions and social distancing provisions remain in place.

Despite the restrictions placed on our industry during the COVID-19 pandemic, we have managed to ensure that the business has continued to serve customers and to act responsibly with suppliers and employees.

We have continued to prepare the accounts on a going concern basis and deem this appropriate. We do not consider that a material uncertainty about our going concern status currently exists. In making this assessment we have considered the likely trading conditions for a period of twelve months from the date of our approval of these accounts

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Goodwill

Goodwill, being the amount paid in connection with the acquisition of a business in 2007, is being amortised evenly over its estimated useful life of five years.

Positive goodwill is in respect of the groups subsidiary company, HEPR Limited. It represents the goodwill on acquisition of a trade and is being amortised over its expected useful life of 5 years.

Negative goodwill is in respect of the acquisition of the group North West Cables Limited and is being written off to the Profit & Loss account.

Development costs

Expenditure on research and development is charged to the profit and loss account in the year in which it is incurred with the exception of expenditure incurred in respect of the development of major new products where the outcome of those projects is assessed as being reasonably certain as regards viability and technical feasibility. Such expenditure is capitalised and amortised straight line over the estimated period of sale for each product, commencing in the year that sales of the product are first made.

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

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

Freehold property	- 2% on cost
Plant and machinery	- 33.3% on cost, 33.3% straight line, 20% on reducing balance, 20% on cost, 10% on reducing balance and Straight line over 30 years
Fixtures and fittings	- 20% on reducing balance, 15% on reducing balance and 10% on reducing balance
Motor vehicles	- 25% on reducing balance

Impairment of assets

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.

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

Stock and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

Stocks are valued on the FIFO basis.

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

2. ACCOUNTING POLICIES - continued

Financial instruments

Financial instruments are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument.

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally 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.

Basic financial assets

Basic financial assets, which include trade and other receivables, loans to fellow group companies and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Basic financial liabilities, including trade and other payables, and bank loans are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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

2. ACCOUNTING POLICIES - continued

Derecognition of financial liabilities

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled

Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Taxation

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

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

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

Pension costs and other post-retirement benefits

The group operates a defined contribution pension scheme. Contributions payable to the group's pension scheme are charged to profit or loss in the period to which they relate.

Government grants

Government grants are deferred and released to the profit and loss account over the term of the grant dependent upon the group satisfying the terms and conditions.

During the year the group has taken advantage of the job retention scheme as part of the UK Government assistance during the Covid 19 pandemic.

3. EMPLOYEES AND DIRECTORS

	31.12.20	31.12.19
	£	£
Wages and salaries	1,542,150	1,748,941
Social security costs	167,661	175,193
Other pension costs	112,707	121,937
	<u>1,822,518</u>	<u>2,046,071</u>

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

3. EMPLOYEES AND DIRECTORS - continued

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

	31.12.20	31.12.19
	<u>42</u>	<u>53</u>
	31.12.20	31.12.19
	£	£
Directors' remuneration	246,236	281,252
Directors' pension contributions to money purchase schemes	<u>62,251</u>	<u>72,947</u>

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

Money purchase schemes	<u>4</u>	<u>4</u>
------------------------	----------	----------

Information regarding the highest paid director is as follows:

	31.12.20	31.12.19
	£	£
Emoluments etc	87,332	87,431
Pension contributions to money purchase schemes	<u>11,116</u>	<u>11,515</u>

4. OPERATING PROFIT/(LOSS)

The operating profit (2019 - operating loss) is stated after charging/(crediting):

	31.12.20	31.12.19
	£	£
Hire of plant and machinery	116	-
Depreciation - owned assets	703,285	589,246
Loss on disposal of fixed assets	-	3,660
Development costs amortisation	-	118,910
Auditors' remuneration	21,052	19,756
Foreign exchange differences	<u>96,219</u>	<u>(81,211)</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	31.12.20	31.12.19
	£	£
Bank loan interest	115,595	144,927
Interest on parent company debt	44,318	29,994
Invoice discounting interest	<u>16,217</u>	<u>31,685</u>
	<u>176,130</u>	<u>206,606</u>

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

6. TAXATION

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	31.12.20	31.12.19
	£	£
Current tax:		
Overseas tax	-	5,284
Deferred tax	129,536	(43,119)
Tax on profit/(loss)	<u>129,536</u>	<u>(37,835)</u>

Reconciliation of total tax charge/(credit) included in profit and loss

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

	31.12.20	31.12.19
	£	£
Profit/(loss) before tax	<u>113,456</u>	<u>(624,450)</u>
Profit/(loss) multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	21,557	(118,646)
Effects of:		
Expenses not deductible for tax purposes	24,425	74,974
Capital allowances in excess of depreciation	(73,672)	(168,979)
Utilisation of tax losses	27,690	212,652
Overseas tax	-	5,284
Deferred tax	129,536	(43,120)
Total tax charge/(credit)	<u>129,536</u>	<u>(37,835)</u>

7. INDIVIDUAL STATEMENT OF COMPREHENSIVE INCOME

As permitted by Section 408 of the Companies Act 2006, the Statement of Comprehensive Income of the parent company is not presented as part of these financial statements.

8. DEFINED CONTRIBUTION PENSION SCHEME

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to the profit and loss account in the period to which they relate.

The total cost of contributions in the year is £144,938 (2019: £121,937). At 31st December 2020 £15,481 contributions were outstanding (2019: £14,025)

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

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Goodwill £	Development costs £	Totals £
COST				
At 1 January 2020	126,325	(234,262)	449,796	341,859
Additions	-	-	169,256	169,256
At 31 December 2020	<u>126,325</u>	<u>(234,262)</u>	<u>619,052</u>	<u>511,115</u>
AMORTISATION				
At 1 January 2020				
and 31 December 2020	<u>126,325</u>	<u>(234,262)</u>	<u>140,934</u>	<u>32,997</u>
NET BOOK VALUE				
At 31 December 2020	<u>-</u>	<u>-</u>	<u>478,118</u>	<u>478,118</u>
At 31 December 2019	<u>-</u>	<u>-</u>	<u>308,862</u>	<u>308,862</u>

Company

	Development costs £
COST	
At 1 January 2020	449,796
Additions	169,256
At 31 December 2020	<u>619,052</u>
AMORTISATION	
At 1 January 2020	
and 31 December 2020	<u>140,934</u>
NET BOOK VALUE	
At 31 December 2020	<u>478,118</u>
At 31 December 2019	<u>308,862</u>

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

10. TANGIBLE FIXED ASSETS

Group

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST					
At 1 January 2020	7,820,038	13,068,413	568,419	11,141	21,468,011
Additions	-	216,502	38,773	-	255,275
At 31 December 2020	7,820,038	13,284,915	607,192	11,141	21,723,286
DEPRECIATION					
At 1 January 2020	731,412	2,703,080	239,039	9,544	3,683,075
Charge for year	158,935	504,676	39,275	399	703,285
At 31 December 2020	890,347	3,207,756	278,314	9,943	4,386,360
NET BOOK VALUE					
At 31 December 2020	6,929,691	10,077,159	328,878	1,198	17,336,926
At 31 December 2019	7,088,626	10,365,333	329,380	1,597	17,784,936

Included in cost of land and buildings is freehold land of £463,000 (2019 - £463,000) which is not depreciated.

Company

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 January 2020	7,812,126	13,065,841	563,505	13,783	21,455,255
Additions	-	216,502	28,324	-	244,826
At 31 December 2020	7,812,126	13,282,343	591,829	13,783	21,700,081
DEPRECIATION					
At 1 January 2020	723,500	2,700,508	239,923	12,184	3,676,115
Charge for year	158,935	504,676	37,878	399	701,888
At 31 December 2020	882,435	3,205,184	277,801	12,583	4,378,003
NET BOOK VALUE					
At 31 December 2020	6,929,691	10,077,159	314,028	1,200	17,322,078
At 31 December 2019	7,088,626	10,365,333	323,582	1,599	17,779,140

Included in cost or valuation of land and buildings is freehold land of £ 463,000 (2019 - £ 463,000) which is not depreciated.

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

11. FIXED ASSET INVESTMENTS

Company

Unlisted
investments
£

COST

At 1 January 2020
and 31 December 2020

100

NET BOOK VALUE

At 31 December 2020
At 31 December 2019

100

100

The group or the company's investments at the Balance Sheet date in the share capital of companies include the following:

Subsidiaries

Hamilton Cables (East Anglia) Ltd

Registered office:
Nature of business: dormant

%
holding
100.00

Class of shares:
Ordinary

The subsidiary has a nil balance sheet value for the years ended 31st December 2020 and 2019.

The registered office of the subsidiary is:

1 Park Road
Holmewood Industrial Park
Holmewood
Chesterfield
Derbys S42 5UW

Hamilton Cables Limited

Registered office:
Nature of business: dormant

%
holding
100.00

Class of shares:
Ordinary

The subsidiary has a nil balance sheet value for the years ended 31st December 2020 and 2019.

The registered office of the subsidiary is:

1 Park Road
Holmewood Industrial Park
Holmewood
Chesterfield
Derbys S42 5UW

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

11. FIXED ASSET INVESTMENTS - continued

North West Cables Limited

Registered office:

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

The subsidiary has a nil balance sheet value for the years ended 31st December 2020 and 2019.

The registered office of the subsidiary is:

Randles Road
Knowsley Business Park
Knowsley
Merseyside
L34 9HX

HEPR Limited

Registered office:

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

The subsidiary has a nil balance sheet value for the years ended 31st December 2020 and 2019.

The registered office of the subsidiary is:

Randles Road
Knowsley Business Park
Knowsley
Merseyside
L34 9HX

Tratos Limited

Registered office:

Nature of business: Sales agency

	%
Class of shares:	holding
Ordinary	100.00

	31.12.20	31.12.19
	£	£
Aggregate capital and reserves	1,029	1,719
Loss for the year	<u>(690)</u>	<u>(2,144)</u>

The registered office of the subsidiary is:

Randles Road
Knowsley Business Park
Knowsley
Merseyside
L34 9HX

Tratos (N.I.) Limited

Registered office: Forsyth House, Cromac Square, Belfast, Antrim, Northern Ireland, BT2 8LA

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

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

11. FIXED ASSET INVESTMENTS - continued

The subsidiaries Hamilton Cables Limited, Hamilton Cables (East Anglia) Limited, North West Cables Limited, Tratos (N.I.) Limited and Tratos Limited have claimed exemption from an audit by virtue of section 479A of the Companies Act 2006.

12. STOCKS

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Stock of finished goods	7,259,349	8,085,337	7,259,349	8,085,337
Work-in-progress	388,554	299,793	388,554	299,793
	<u>7,647,903</u>	<u>8,385,130</u>	<u>7,647,903</u>	<u>8,385,130</u>

The total carrying amount of stock is pledged as security.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Trade debtors	2,235,946	1,901,898	2,235,946	1,901,898
Amounts owed by group undertakings	-	-	65,099	174,309
Other debtors	46,334	29,415	-	-
Tax	-	176,916	-	176,916
Prepayments and accrued income	413,370	242,934	413,370	225,746
	<u>2,695,650</u>	<u>2,351,163</u>	<u>2,714,415</u>	<u>2,478,869</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Bank loans and overdrafts (see note 16)	2,202,379	3,091,835	2,202,379	3,091,835
Trade creditors	292,856	269,001	290,168	266,695
Amounts owed to group undertakings	7,961,666	8,969,396	7,961,666	8,969,396
Social security and other taxes	63,505	56,824	40,201	38,837
VAT	258,580	223,008	258,580	223,008
Accrued expenses	137,335	214,362	133,901	210,935
	<u>10,916,321</u>	<u>12,824,426</u>	<u>10,886,895</u>	<u>12,800,706</u>

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

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Bank loans (see note 16)	2,904,788	3,486,409	2,904,788	3,486,409
Amounts owed to group undertakings	10,000,000	8,895,806	10,000,000	8,895,806
	<u>12,904,788</u>	<u>12,382,215</u>	<u>12,904,788</u>	<u>12,382,215</u>

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

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	1,440,538	2,645,774	1,440,538	2,645,774
Bank loans	761,841	446,061	761,841	446,061
	<u>2,202,379</u>	<u>3,091,835</u>	<u>2,202,379</u>	<u>3,091,835</u>
Amounts falling due between one and two years:				
Bank loans	467,671	450,794	467,671	450,794
Amounts falling due between two and five years:				
Bank loans	1,013,554	1,100,615	1,013,554	1,100,615
Amounts falling due in more than five years: Repayable by instalments				
Bank loans	1,423,563	1,935,000	1,423,563	1,935,000

The group has consolidated its loans under one lender and the duration of the loan is for thirteen years. Interest is applied at 2.75% over the Bank of England base rate

The group has a commercial mortgage Lloyds bank for £1 million repayable over 5 years. Interest applied to this loan is at a fixed rate of 8.15% over the duration. The loan is secured against specified plant owned by the group

During the year the group has taken advantage of the banks offer of a capital repayment holiday on both loans to help ease cash flow during the Corona Virus outbreak. The HSBC loan has not had its terms extended as a result of this, but the Lloyds loan has been extended for a further three months.

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31.12.20	31.12.19
	£	£
Within one year	7,911	7,184
Between one and five years	24,934	31,197
	<u>32,845</u>	<u>38,381</u>

Company

	Non-cancellable operating leases	
	31.12.20	31.12.19
	£	£
Within one year	7,911	7,184
Between one and five years	24,934	31,197
	<u>32,845</u>	<u>38,381</u>

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

18. SECURED DEBTS

The following secured debts are included within creditors:

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Bank overdraft	1,440,538	2,645,774	1,440,538	2,645,774
Bank loans	3,666,629	3,932,470	3,666,629	3,932,470
	<u>5,107,167</u>	<u>6,578,244</u>	<u>5,107,167</u>	<u>6,578,244</u>

There is a charge over the company's land and buildings.

A cross guarantee and debenture between Tratos and its fellow group companies also exists.

Bank overdrafts are secured by means of a fixed and floating charge. The fixed charge is over all fixed assets plus present and future book and other debts. The floating charge is over all movable and intangible assets of the company.

19. PROVISIONS FOR LIABILITIES

	Group		Company	
	31.12.20	31.12.19	31.12.20	31.12.19
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>614,090</u>	<u>484,554</u>	<u>614,090</u>	<u>484,554</u>

Group

	Deferred tax
	£
Balance at 1 January 2020	484,554
Provided during year	129,536
Balance at 31 December 2020	<u>614,090</u>

Company

	Deferred tax
	£
Balance at 1 January 2020	484,554
Provided during year	129,536
Balance at 31 December 2020	<u>614,090</u>

20. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.20	31.12.19
			£	£
1,500,080	Ordinary A	£1	1,500,080	1,500,080
32	Ordinary B	£1	-	-
2,500,000	Ordinary C	£1	<u>2,500,000</u>	<u>2,500,000</u>
			<u>4,000,080</u>	<u>4,000,080</u>

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

21. RESERVES

Group

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2020	607,492	32	607,524
Deficit for the year	(16,080)		(16,080)
At 31 December 2020	<u>591,412</u>	<u>32</u>	<u>591,444</u>

Company

	Retained earnings £	Capital redemption reserve £	Totals £
At 1 January 2020	606,028	32	606,060
Deficit for the year	(15,390)		(15,390)
At 31 December 2020	<u>590,638</u>	<u>32</u>	<u>590,670</u>

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

Capital redemption reserve, this reserve records the nominal value of shares repurchased by the company.

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

22. ULTIMATE PARENT COMPANY

Tratos Srl (incorporated in Italy) is regarded by the directors as being the company's ultimate parent company.

The parents registered office is:
Via Stadio, 2 - Pieve Santo Stefano (AR)
52036 -Italy

23. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

Transactions between group entities which have been eliminated on consolidation are not disclosed within the financial statements.

24. ULTIMATE CONTROLLING PARTY

The controlling party is Dr A Bragagni.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.