

Company Registration No. 05550119 (England and Wales)

TRUST GROUP UK LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2020



TRUST GROUP UK LIMITED

COMPANY INFORMATION

Directors	Mr A J Hockedy Mr N A White
Secretary	Mr N A White
Company number	05550119
Registered office	Millennium House Audnam Stourbridge Worcestershire DY8 4AH
Auditor	RSM UK Audit LLP Chartered Accountants 3 Hardman Street Manchester M3 3HF
Solicitors	Harrison Clark Rickerbys 5 Deansway Worcester WR1 2JG

TRUST GROUP UK LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Fair review of the business

The directors wish to report profit before tax for the year of £1,673,405 (2019: £1,024,851). This equates to a 2.4% return on sales (2019: 1.3%). Profit before tax increased by 65% on the prior year on turnover decreased 10%.

The new car market fell to 1.63 million cars in 2020, a drop of 29.4% over the prior year figure and the toughest year for the market since 1992. COVID-19 enforced closures, drove a decline of some 680,076 units while an acceleration of the end of sale date for petrol and diesel cars to 2030 and Brexit uncertainty saw the industry suffer a total turnover loss of some £20.4 billion. Private vehicle demand fell by 26.6% overall while fleet sales saw a 31.1% decrease.

In 2020, the motor retail industry suffered a series of lockdowns as a result of the COVID-19 global pandemic. Trust Group UK showrooms and service departments closed on the 24 March 2020 as the Government encouraged all non-essential workers to stay at home. At that time, 95% of Trust Group UK employees were placed onto the Government's Coronavirus Job Retention Scheme ('furlough'). After extensive customer consultation through our call centre, Service and Parts departments re-opened with reduced staffing levels on the 11 May 2020. This was followed by the opening of our showrooms on the 1 June 2020. By mid-June service departments were working at peak capacity to meet the pent up demand. Showrooms enjoyed strong trading from June until the end of October benefitting from well reported sector tailwinds.

Upon re-opening, appropriate PPE equipment has been issued to include masks, plastic screening and signage indicating social distancing requirements of two metres. Our primary focus remains the continued health and safety of our colleagues and customers. Internal meetings are now held via online platforms and there are no visits from external suppliers until further notice. A second national lockdown took effect from 5 November to the 2 December but unlike the first, service departments remained open and showrooms operated a 'click and collect' service for customers which enabled the group to trade profitably. We are grateful to the Government for its continued support via the furlough scheme and the delayed payment of PAYE and the VAT Payment Deferral Scheme. All PAYE and VAT deferrals were repaid by October 2020. We have also benefitted from the governments business rates relief scheme which has contributed to a reduction in overheads for the year.

Trust Group UK new and used car sales for the year were 3,978 (2019: 4,532) with new cars declining 8% and used car volumes reducing by 15%. Thus, Trust Group UK out-performed the new car market by nearly 20% aided by a strong performance from its Volkswagen Group brand partners Volkswagen and Skoda. Service and parts departments were similarly affected by Covid closures with retail labour sales down 12% and parts sales declining 15%.

Trade Parts Specialist commissions income declined 24% as turnover delivered decreased by 19%. Volkswagen Group decided that TPS operations could provide an essential service to the emergency services and key workers and thus our TPS sites remained open albeit at very low levels of turnover for most of April and May 2020. We would especially like to thank our TPS colleagues for their courage and bravery in these most difficult of times.

With a Covid pandemic to manage it was gratifying to see that the UK Government could reach a trade deal with the European Union trading block and that two years of Brexit negotiations should come to an end, thus avoiding potentially damaging trade tariffs on vehicles.

Operational update 2021

The third national lockdown took effect on the 5th November and remained until the re-opening of our showrooms to customers on the 12th April 2021. As in the November lockdown, Trust Group UK service departments remained open and our showrooms continued to offer a 'click and collect' service. Service departments operated at an 80% of capacity level during this time with new and used car sales at some 70% of normal levels. Trust Group UK continues to benefit from the Government's furlough scheme and remains profitable. The Trust Group UK cash position strengthened considerably in 2020 as a result of a strong cash generation and at the present time we have no need to draw upon cash facilities from our partner Volkswagen Bank. Trading remains profitable, albeit on reduced turnover.

TRUST GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Board composition

There were no changes during the year.

Stakeholder relationships

Our major stakeholders, Volkswagen Group, Volkswagen Financial Services and NatWest Bank remain satisfied with the performance of the group.

Employees

The Group's policy is to consult and discuss with employees on a regular basis matters likely to affect employees' interests. Information about matters of concern to employees is given through regular updates which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the Group's performance.

The Group gives full consideration to applications for employment from disabled persons where the requirements of the job can be adequately fulfilled by a handicapped or disabled person. Where existing employees become disabled, it is the Group's policy wherever practicable to provide continuing employment under normal terms and conditions and to provide training and career development and promotion to disabled employees wherever appropriate.

The Group's policy is to recruit disabled workers for those vacancies that they are able to fill. All necessary assistance with initial training courses is given. Once employed, a career plan is developed so as to enable suitable opportunities for each disabled person. Arrangements are made, where possible, for retraining employees who become disabled, to enable them to perform work identified as appropriate to their aptitudes and abilities.

Outlook for 2021

As the lockdown has eased, our showrooms re-opened to customers on the 12th April 2021 and we have seen strong new and used order take as a result of the anticipated 'bounce back'. However, there continues to remain significant social and economic uncertainties as a result of both COVID-19 and the potential impact of the UK's departure from the European Union on 31 December 2020.

Trust Group UK, like many other motor retailers has updated its online platforms and with the use of CitNow video is providing customers with sufficient information to purchase a car without seeing or driving it physically.

The directors continue to monitor service and showroom volumes and allocate resource accordingly as demand returns. We believe that the £130 billion of consumer savings the UK has reported from 2020 will flow into a bounce back in new and used car sales once restrictions are lifted. Whilst this will not be as strong as the 2020 recovery it will nonetheless boost trading in Quarter 2.

TRUST GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Financial risk management, objectives and policies

The group uses various financial instruments; these include cash and various items, such as trade debtors and trade creditors that arise directly from its operations. The main purpose of these financial instruments is to raise finance for the group's operations

The existence of these financial instruments exposes the group to a number of financial risks, which are described in more detail below.

The main risks arising from the group's financial instruments are categorised as market risk, credit risk and liquidity risk. The directors review and agree policies for managing each of these risks and they are summarised below.

Liquidity risk

Funds available to the group are above operating requirements. Management continues to monitor the age and profile of used vehicle stocks with the use of auction for over age stocks. EBITDA of £2.4M was sufficient to meet the group's capital expenditure of £0.2M.

Market risk

Volkswagen Group continues to grow its stable of electric product with I.D.4 arriving in showrooms in March 2021 to add to the I.D.3 vehicle, Europe's best selling electric car of 2020. Skoda have also released their first electric car, the Enyaq in February 2021. Volkswagen continue with petrol and PHEV vehicles with the new Taureg hybrid to arrive in Q2 2021. With PHEV and all electric vehicles expected to outsell diesel product in the UK in 2021, this new product is critical.

Volkswagen Group factories continue to manufacture cars in the latest series of lockdowns removing fears of stock shortages. European CAFÉ regulations though continue to affect manufacturers' ability to sell traditional ICE products.

Credit risk

The group's principal financial assets are cash and trade debtors. The credit risk associated with the cash is minimal. The principal credit risk therefore arises from its trade debtors.

In order to manage credit risk, the directors have implemented processes to ensure receipt of cleared funds for vehicle sales before the vehicle is released. The bonuses due from the manufacturer are paid by direct debit. Other trade debtors, principally as a result of servicing of vehicles, require approved credit in advance which is supported by credit reports, reference checks and payment is required within the group's credit terms and hence credit risk is minimised within a process of bi-monthly reviews.

Dividends

Dividends of £1.82 per share were distributed to A class Ordinary shareholders for the year ended 31 December 2020. Dividends of £7.10 per share were distributed in the year to class C and class D Ordinary shareholders respectively.

TRUST GROUP UK LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Section 172 statement

The Board of Directors consider, both individually and together, that they have acted in the way they consider, in good faith, would be most likely to promote the success of the Group for the benefit of its members as a whole (having regard to the stakeholders and matters set out in s172(1)(a)-(f) of the Companies Act 2006) in the decisions taken during the year ended 31 December 2020.

Our plan was designed to have a long-term beneficial impact on the Group and to contribute to its success in delivering a high quality of service across all of our businesses.

Our colleagues are fundamental to the delivery of our plan. We aim to be a responsible employer in our approach to the pay and benefits colleagues receive. The health, safety and well-being of our colleagues is one of our primary considerations in the way we do business.


Engagement with suppliers and customers is key to our success. We meet with our major manufacturer partners regularly throughout the year and take the appropriate action, when necessary, to prevent involvement in modern slavery, corruption, bribery and breaches of competition law.

Our plan took into account the impact of the Group's operations on the community and environment and our wider social responsibilities, and in particular how we comply with environmental legislation and pursue waste-saving opportunities and react promptly to local community concerns.

As the Board of Directors, our intention is to behave responsibly and ensure that the management operate the business in a responsible manner, operating within the high standards of business conduct and good governance expected for a business such as ours and in doing so, will contribute to the delivery of our plan. The intention is to nurture our reputation, through both the construction and delivery of our plan that reflects our responsible behaviour.

As the Board of Directors, our intention is to behave responsibly towards our shareholders and treat them fairly and equally, so they too may benefit from the successful delivery of our plan.

On behalf of the board



Mr N A White
Director

Date: 2-6-2021

TRUST GROUP UK LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Principal activities

The principal activity of the company and group continued to be that of the sale of new and used motor cars, together with vehicle maintenance and other ancillary services.

Results and dividends

The results for the year are set out on page 12.

Ordinary dividends were paid amounting to £370,000 (2019: £395,000). The directors do not recommend payment of a further dividend.

Directors

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

Mr A J Hockedy

Mr N A White

Qualifying third party indemnity provisions

The company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Employee involvement

The group's policy is to consult and discuss with employees, through unions, staff councils and at meetings, matters likely to affect employees' interests.

Information about matters of concern to employees is given through information bulletins and reports which seek to achieve a common awareness on the part of all employees of the financial and economic factors affecting the group's performance.

There is no employee share scheme at present, but the directors are considering the introduction of such a scheme as a means of further encouraging the involvement of employees in the company's performance.

Auditor

In accordance with the company's articles, a resolution proposing that RSM UK Audit LLP be reappointed as auditor of the company will be put at a General Meeting.

TRUST GROUP UK LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Energy and carbon reporting

This section includes our mandatory reporting of energy and greenhouse gas emissions for the period 1st January 2020 to 31st December 2020, pursuant to the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, implementing the government's Streamlined Energy and Carbon Reporting (SECR) policy.

Our methodology to calculate our greenhouse gas emissions is based on the 'Environmental Reporting Guidelines: Including streamlined energy and carbon reporting guidance (March 2019)' issued by DEFRA, using DEFRA's 2020 conversion factors. In some cases consumption has been extrapolated from available data or direct comparison made to a comparable period.

We report using a financial control approach to define our organisational boundary. We have reported all material emission sources required by the regulations for which we deem ourselves to be responsible and have maintained records of all source data and calculations.

During the reporting period, £288 has been invested in LED lighting upgrades. The table below includes total energy consumption (reported as kWh) and greenhouse gas emissions for the sources required by the regulations, along with our intensity ratio.

	01/01/2020 – 31/12/2020
Total Energy Consumption – Used for Emissions Calculation (kWh)	2,460,518
Gas Combustion Emissions, Scope 1 (tCO ₂ e)	287
Purchased Electricity Emissions, Scope 2 (tCO ₂ e)	216
Vehicle Fuel Combustion Emissions, Scope 1 (tCO ₂ e)	1
Vehicle Fuel Combustion Emissions, Scope 3 (tCO ₂ e)	0
Total Gross Reported Emissions (tCO ₂ e)	504
Turnover (£m)	71
Intensity Ratio: Turnover (tCO ₂ e / £m)	7.1

Statement of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, each director has taken all the necessary steps that they ought to have taken as a director in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

TRUST GROUP UK LIMITED


DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

Strategic report

The group has chosen in accordance with Companies Act 2006, s414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report.

On behalf of the board



Mr N A White

Director

Date: 2-6-2021

TRUST GROUP UK LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2020

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with 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 group and company, 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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group and company will continue in business.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST GROUP UK LIMITED

Opinion

We have audited the financial statements of Trust Group UK Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the consolidated income statement, the consolidated statement of financial position, the company statement of financial position, the consolidated statement of changes in equity, the company statement of changes in equity, the consolidated statement of cash flows 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 Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 December 2020 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 our 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST GROUP UK LIMITED (CONTINUED)

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 their 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 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 directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses, and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF TRUST GROUP UK LIMITED (CONTINUED)

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

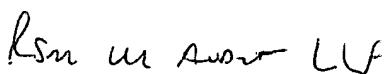
As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006, Coronavirus Job Retention Scheme (CJRS) regulations and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, testing a sample of entries included on the associated CJRS claims, inspecting correspondence with local tax authorities and evaluating advice received from external tax advisors.

The group audit engagement team identified the risk of management override of controls and revenue recognition as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business. We tested a sample of revenue transactions recognised either side of the reporting date to determine whether revenue was recorded in the correct period.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities> This description forms part of our auditor's report.

Use of our report

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



Alison Ashley (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
3 Hardman Street
Manchester
M3 3HF
7 June 2021.....

TRUST GROUP UK LIMITED

CONSOLIDATED INCOME STATEMENT


FOR THE YEAR ENDED 31 DECEMBER 2020


	Notes	2020 £	2019 £
Turnover	3	70,663,987	78,784,692
Cost of sales		(66,299,603)	(73,976,251)
Gross profit		<u>4,364,384</u>	<u>4,808,441</u>
Administrative expenses		(6,340,102)	(6,726,814)
Other operating income		3,946,293	3,283,657
Operating profit	6	<u>1,970,575</u>	<u>1,365,284</u>
Interest payable and similar expenses	8	(297,170)	(340,433)
Profit before taxation		<u>1,673,405</u>	<u>1,024,851</u>
Tax on profit	9	(403,301)	(189,926)
Profit for the financial year		<u><u>1,270,104</u></u>	<u><u>834,925</u></u>
Profit for the financial year is attributable to:			
- Owners of the parent company		1,256,976	819,332
- Non-controlling interests		13,128	15,593
		<u><u>1,270,104</u></u>	<u><u>834,925</u></u>

TRUST GROUP UK LIMITED**CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	11	-	-	-	-
Tangible assets	12	3,312,793		3,595,158	
Current assets					
Stocks	15	6,809,936		7,643,488	
Debtors	16	1,420,870		2,187,646	
Cash at bank and in hand		1,453,713		945,178	
		<u>9,684,519</u>		<u>10,776,312</u>	
Creditors: amounts falling due within one year	17	<u>(7,401,979)</u>		<u>(9,716,245)</u>	
Net current assets			<u>2,282,540</u>		<u>1,060,067</u>
Total assets less current liabilities			<u>5,595,333</u>		<u>4,655,225</u>
Creditors: amounts falling due after more than one year	18		(847,409)		(868,596)
Provisions for liabilities	20		(167,660)		(106,469)
Net assets			<u>4,580,264</u>		<u>3,680,160</u>
Capital and reserves					
Called up share capital	21		199,540		199,540
Capital redemption reserve	23		44,000		44,000
Profit and loss reserves	23		4,282,932		3,395,956
Equity attributable to owners of the parent company			<u>4,526,472</u>		<u>3,639,496</u>
Non-controlling interests			<u>53,792</u>		<u>40,664</u>
			<u>4,580,264</u>		<u>3,680,160</u>

The financial statements were approved by the board of directors and authorised for issue on 2-6-2021 and are signed on its behalf by:


Mr A J Hockedy
Director



Mr N A White
Director

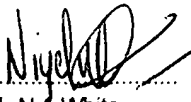
TRUST GROUP UK LIMITED**COMPANY STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020**

	Notes	2020 £	£	2019 £	£
Fixed assets					
Intangible assets	11	-	-	-	-
Tangible assets	12	3,107,118		3,333,192	
Investments	13	2,900		2,900	
		<u>3,110,018</u>		<u>3,336,092</u>	
Current assets					
Stocks	15	6,809,936		7,643,488	
Debtors	16	987,124		1,930,781	
Cash at bank and in hand		652,580		245,986	
		<u>8,449,640</u>		<u>9,820,255</u>	
Creditors: amounts falling due within one year	17	(7,527,364)		(9,744,601)	
Net current assets			<u>922,276</u>		<u>75,654</u>
Total assets less current liabilities			<u>4,032,294</u>		<u>3,411,746</u>
Creditors: amounts falling due after more than one year	18		(847,409)		(868,596)
Provisions for liabilities	20		(156,389)		(94,375)
Net assets			<u><u>3,028,496</u></u>		<u><u>2,448,775</u></u>
Capital and reserves					
Called up share capital	21		199,540		199,540
Capital redemption reserve	23		44,000		44,000
Profit and loss reserves	23		2,784,956		2,205,235
Total equity			<u><u>3,028,496</u></u>		<u><u>2,448,775</u></u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes as it prepares group accounts. The company's profit for the year was £1,262,150 (2019: £1,628,043).

The financial statements were approved by the board of directors and authorised for issue on 2-6-2021 and are signed on its behalf by:


Mr A J Hockedy
Director


Mr N A White
Director

TRUST GROUP UK LIMITED

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

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total controlling interest £	Non-controlling interest £	Total £
Balance at 1 January 2019		199,540	44,000	2,906,624	3,150,164	90,071	3,240,235
Year ended 31 December 2019:							
Profit and total comprehensive income for the year		-	-	819,332	819,332	15,593	834,925
Dividends	10	-	-	(330,000)	(330,000)	(65,000)	(395,000)
Balance at 31 December 2019		199,540	44,000	3,395,956	3,639,496	40,664	3,680,160
Year ended 31 December 2020:							
Profit and total comprehensive income for the year		-	-	1,256,976	1,256,976	13,128	1,270,104
Dividends	10	-	-	(370,000)	(370,000)	-	(370,000)
Balance at 31 December 2020		199,540	44,000	4,282,932	4,526,472	53,792	4,580,264

TRUST GROUP UK LIMITED

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

	Notes	Share capital £	Capital redemption reserve £	Profit and loss reserves £	Total £
Balance at 1 January 2019		199,540	44,000	907,192	1,150,732
Year ended 31 December 2019:					
Profit and total comprehensive income for the year		-	-	1,628,043	1,628,043
Dividends	10	-	-	(330,000)	(330,000)
Balance at 31 December 2019		199,540	44,000	2,205,235	2,448,775
Year ended 31 December 2020:					
Profit and total comprehensive income for the year		-	-	949,721	949,721
Dividends	10	-	-	(370,000)	(370,000)
Balance at 31 December 2020		199,540	44,000	2,784,956	3,028,496

TRUST GROUP UK LIMITED

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

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	25	1,940,396		2,729,420	
Interest paid		(297,170)		(340,433)	
Income taxes paid		(215,664)		(354,633)	
Net cash inflow from operating activities		1,427,562		2,034,354	
Investing activities					
Purchase of tangible fixed assets		(151,066)		(619,215)	
Proceeds on disposal of tangible fixed assets		16,105		21,653	
Net cash used in investing activities		(134,961)		(597,562)	
Financing activities					
Repayment of bank loans		(13,579)		(22,951)	
Dividends paid to equity shareholders		(370,000)		(330,000)	
Dividends paid to non-controlling interests		-		(65,000)	
Net cash used in financing activities		(383,579)		(417,951)	
Net increase in cash and cash equivalents		909,022		1,018,841	
Cash and cash equivalents at beginning of year		544,691		(474,150)	
Cash and cash equivalents at end of year		1,453,713		544,691	
Relating to:					
Cash at bank and in hand		1,453,713		945,178	
Bank overdrafts included in creditors payable within one year		-		(400,487)	

TRUST GROUP UK LIMITED

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

1 Accounting policies

Company information

Trust Group UK Limited ("the company") is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Millennium House, Audnam, Stourbridge, Worcestershire, DY8 4AH.

The group consists of Trust Group UK Limited and all of its subsidiaries.

The company's and the group's principal activities and nature of its operations are disclosed in the Directors' Report.

Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

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, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements for parent company information presented within the consolidated financial statements:

- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 26 'Share based Payment': Share-based payment expense charged to profit or loss, reconciliation of opening and closing number and weighted average exercise price of share options, how the fair value of options granted was measured, measurement and carrying amount of liabilities for cash-settled share-based payments, explanation of modifications to arrangements;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The financial statements of the Company are consolidated in the financial statements of Trust Group UK Limited. The consolidated financial statements of Trust Group UK Limited are available from its registered office, Millennium House, Audnam, Stourbridge, Worcestershire, DY8 4AH.

Basis of consolidation

The consolidated financial statements incorporate those of Trust Group UK Limited and all of its subsidiaries (i.e. entities that the group controls through its power to govern the financial and operating policies so as to obtain economic benefits). Subsidiaries acquired during the year are consolidated using the purchase method. Their results are incorporated from the date that control passes.

All financial statements are made up to 31 December 2020. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by other members of the group.

All intra-group transactions, balances and unrealised gains on transactions between group companies are eliminated on consolidation. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

The cost of a business combination is the fair value at the acquisition date of the assets given, equity instruments issued and liabilities incurred or assumed, plus costs directly attributable to the business combination. The excess of the cost of a business combination over the fair value of the identifiable assets, liabilities and contingent liabilities acquired is recognised as goodwill.

Going concern

As set out in the Strategic Report, the Coronavirus (Covid-19) Pandemic has impacted on results during 2020. As at the date of approving these financial statements, the impact of Covid-19 had on the group's operations has lessened, however it is difficult to assess what the medium and long-term impact will be.

The Directors have prepared forecasts for the company for the period to December 2022 which demonstrate that the company and group can continue to operate within its available financial resources. The group continues to rely on strong, long term relationships with Volkswagen Group and its bankers. Costs are being closely monitored and controlled, with the option of reductions if sales targets were not achieved. The company also has a reasonable expectation that additional borrowings could be secured if additional funds were required.

The group is fortunate that it has strong balance sheet, cash reserves and significant headroom within its bank facilities. As a consequence, the Directors are confident that the company and the group have sufficient liquidity as markets return to a more normal level of activity.

On this basis and at the time of approving the financial statements, the Directors are confident that the company has adequate resources to continue in operational existence for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

Turnover

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

Sale of goods

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

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

Rendering of services

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

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

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Brand incentives

The group receives income in the form of various incentives which are determined by the Group's brand partners. The amount receivable is generally based on achieving specific objectives such as specified sales volume, as well as other objectives including maintaining brand partner standards which may include, but are not limited to, retail centre image and design requirements, customer satisfaction survey results and training standards. Objectives are generally set and measured on either a quarterly or annual basis.

Where incentives are based on a specific sales volume or number of registrations, the related income is recognised as a reduction in cost of sales when it is reasonably certain that the income has been earned. This is generally the later of the date the related vehicles are sold or registered or when it is reasonably certain to be met. Where incentives are linked to retail centre image and design requirements, customer satisfaction survey results or training standards, they are recognised as a reduction in cost of sales when it is reasonably certain that the incentive will be received for the relevant period.

The group may also receive contributions towards advertising, promotional and rent expenditure. Where such contribution are received they are recognised as a reduction in the related expenditure in the period to which they relate.

Commission

Revenue from commissions receivable is recognised when the amount can be reliably measured and it is probable that the company will receive the consideration.

Intangible fixed assets - goodwill

Goodwill represents the excess of the cost of acquisition of a business over the fair value of net assets acquired. It is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is considered to have a finite useful life and is amortised on a systematic basis over its expected life, which is five years.

Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% straight line
Leasehold buildings	Over the term of the lease
Leasehold improvements	Over the term of the lease
Plant and equipment	10% - 20% straight line
Fixtures and fittings	10% - 20% straight line
Computers	20% - 100% straight line
Motor vehicles	33% - 50% straight line

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

Land and buildings are accounted for separately even when acquired together and land is not depreciated.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Fixed asset investments

In the separate accounts of the company, interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the group. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Impairment of fixed assets

At each reporting period end date, the group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The carrying amount of the investments accounted for using the equity method is tested for impairment as a single asset. Any goodwill included in the carrying amount of the investment is not tested separately for impairment.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Stocks

Stocks are valued at the lower of cost and estimated selling price less cost to complete and sell.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of stocks over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

Consignment stock

Under supplier agreements with Volkswagen Group, the company has access to 'consignment stock' during a consignment period. Where the nature of these supply agreements transfers risks and rewards to the company, which in substance give the company control over the stock during the consignment period and liabilities in respect of holding costs, the company recognises these stocks in the balance sheet together with the equivalent liability.

Where supply agreements do not provide risks and rewards to the company until such time as legal title actually passes at the end of the consignment period, these stocks are not included in the balance sheet. Both the terms under which the stocks are held and the financial commitment in respect of these stocks are disclosed in the notes to the financial statements.

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments 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.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Financial instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised when the group becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset and 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 debtors, amounts due from group undertakings 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 financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised costs using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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.

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 group 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.

Basic financial liabilities

Basic financial liabilities, including trade and other creditors, bank loans, loans from group undertakings that 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.

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

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Other financial liabilities

Other financial liabilities are initially measured at fair value, net of transaction costs. They are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability to the net carrying amount on initial recognition.

Derecognition of financial liabilities

Financial liabilities are derecognised when, and only when, the group's contractual obligations are discharged, cancelled, or they expire.

Equity instruments

Equity instruments issued by the group are recorded at the fair value of proceeds received, net of transaction costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the group.

Taxation

The tax expense represents the sum of the current tax expense and deferred tax expense. Current tax assets are recognised when tax paid exceeds the tax payable.

Current and deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited to other comprehensive income or equity, when the tax follows the transaction or event it relates to and is also charged or credited to other comprehensive income, or equity.

Current tax assets and current tax liabilities and deferred tax assets and deferred tax liabilities are offset, if and only if, there is a legally enforceable right to set off the amounts and the entity intends either to settle on the net basis or to realise the asset and settle the liability simultaneously.

Current tax is based on taxable profit for the year. Current tax assets and liabilities are measured using tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled based on tax rates that have been enacted or substantively enacted by the reporting date.

Deferred tax liabilities are recognised in respect of all timing differences that exist at the reporting date. Timing differences are differences between taxable profits and total comprehensive income that arise from the inclusion of income and expenses in tax assessments in different periods from their recognition in the financial statements. Deferred tax assets are recognised only to the extent that it is probable that they will be recovered by the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is recognised on income and expenses from subsidiaries, that will be assessed to or allow for tax in a future period except where the group is able to control the reversal of the timing difference and it is probable that the timing difference will not reverse in the foreseeable future.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

1 Accounting policies (Continued)

Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or fixed assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

Retirement benefits

For defined contribution schemes the amount charged to profit or loss is the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Government grants

Government grants received in relation to the Coronavirus Job Retention Scheme are recognised in the profit and loss account in the period to which they relate and are disclosed as other operating income.

Finance costs

Finance costs are charged to the income statement 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.

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.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

2 Judgements and key sources of estimation uncertainty

In the application of the group's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The following judgements and estimates have been made by the directors in applying the Group's accounting policies:

Stock valuation

Stock valuation is regularly monitored against age profile and market demand. Management use a number of market tools during the appraisal process including CAP valuation guides. The directors maintain oversight of ageing stock profiles and a monthly review of any provision required is performed. An impairment loss of £12,219 (2019: £5,359) was recognised in cost of sales.

3 Turnover and other revenue

	2020 £	2019 £
Turnover analysed by class of business		
Sale of goods	66,581,908	74,680,790
Sale of services	3,669,447	3,557,668
Commissions receivable	412,632	546,234
	<u>70,663,987</u>	<u>78,784,692</u>
	2020 £	2019 £
Other revenue		
Government grants	1,132,329	-
Expenses recharged	<u>2,813,964</u>	<u>3,283,657</u>
	2020 £	2019 £
Turnover analysed by geographical market		
United Kingdom	<u>70,663,987</u>	<u>78,784,692</u>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

4 Employees

The average monthly number of persons (including directors) employed during the year was:

	Group 2020 Number	2019 Number	Company 2020 Number	2019 Number
Sales	132	156	98	107
Administrative	25	29	22	23
Production	102	93	38	46
Total	259	278	158	176

Their aggregate remuneration comprised:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Wages and salaries	6,511,301	7,079,984	4,267,248	4,816,761
Social security costs	575,145	630,274	390,229	449,129
Pension costs	242,892	243,978	242,892	205,076
	7,329,338	7,954,236	4,900,369	5,470,966

5 Directors' remuneration

	2020 £	2019 £
Remuneration for qualifying services	58,671	55,022
Company pension contributions to defined contribution schemes	76,000	40,000
	134,671	95,022

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2019 - 2).

6 Operating profit

	2020 £	2019 £
Operating profit for the year is stated after charging/(crediting):		
Government grants	(1,132,329)	-
Depreciation of owned tangible fixed assets	417,159	395,150
Loss/(profit) on disposal of tangible fixed assets	167	(4,062)
Operating lease charges	1,077,441	1,038,699

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

7 Auditor's remuneration

	2020	2019
	£	£
Fees payable to the company's auditor and associates:		
For audit services		
Audit of the financial statements of the group and company	32,000	29,150
For other services		
Taxation compliance services	6,175	4,550
All other non-audit services	8,175	7,050
	14,350	11,600

8 Interest payable and similar expenses

	2020	2019
	£	£
Interest on bank overdrafts and loans	36,252	45,464
Other interest on financial liabilities	260,918	294,969
Total finance costs	297,170	340,433

9 Taxation

	2020	2019
	£	£
Current tax		
UK corporation tax on profits for the current period	362,964	200,052
Adjustments in respect of prior periods	(20,854)	(721)
Total current tax	342,110	199,331
Deferred tax		
Origination and reversal of timing differences	2,443	8,970
Changes in tax rates	17,392	-
Adjustment in respect of prior periods	41,356	(18,375)
Total deferred tax	61,191	(9,405)
Total tax charge	403,301	189,926

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

9 Taxation (Continued)

The total tax charge for the year included in the income statement can be reconciled to the profit before tax multiplied by the standard rate of tax as follows:

	2020 £	2019 £
Profit before taxation	1,673,405	1,024,851
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	317,947	194,722
Tax effect of expenses that are not deductible in determining taxable profit	41,770	14,736
Adjustments in respect of prior years	(15,164)	(721)
Depreciation on assets not qualifying for tax allowances	-	620
Deferred tax adjustments in respect of prior years	41,357	(18,375)
Closing deferred tax adjusted to average rate	17,391	(1,056)
Taxation charge	403,301	189,926

Factors affecting future tax charges

The main rate of corporation tax remains at 19%.

10 Dividends

Dividends totalling £320,000 (2019: £330,000) were distributed to A class Ordinary shareholder as result of dividends of £1.82 (2019: £1.59) per share being distributed to A class Ordinary shareholders.

Dividends totalling £50,000 were distributed to C and D class Ordinary shareholders as a result of dividends of £7.10 (2019: £7.10) per share being distributed in the year to class C and class D Ordinary shareholders respectively.

11 Intangible fixed assets

Group	Goodwill £
Cost	
At 1 January 2020 and 31 December 2020	844,300
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	844,300
Carrying amount	
At 31 December 2019 and 31 December 2020	-

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

11 Intangible fixed assets (Continued)

Company	Goodwill
	£
Cost	
At 1 January 2020 and 31 December 2020	844,300
	<hr/>
Amortisation and impairment	
At 1 January 2020 and 31 December 2020	844,300
	<hr/>
Carrying amount	
At 31 December 2019 and 31 December 2020	-
	<hr/> <hr/>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets

Group	Freehold land and buildings	Leasehold land and buildings	Leasehold improvements	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£	£
Cost								
At 1 January 2020	1,414,000	2,369,257	22,515	1,544,428	843,576	671,436	23,622	6,888,834
Additions	-	11,970	2,124	101,568	12,205	23,199	-	151,066
Disposals	-	-	-	-	-	-	(20,272)	(20,272)
Transfers	457,311	(457,311)	-	-	-	-	-	-
At 31 December 2020	1,871,311	1,923,916	24,639	1,645,996	855,781	694,635	3,350	7,019,628
Depreciation and impairment								
At 1 January 2020	26,433	867,084	12,850	1,301,410	514,215	564,334	7,350	3,293,676
Depreciation charged in the year	13,140	173,279	2,982	99,642	75,301	52,815	-	417,159
Eliminated in respect of disposals	-	-	-	-	-	-	(4,000)	(4,000)
At 31 December 2020	39,573	1,040,363	15,832	1,401,052	589,516	617,149	3,350	3,706,835
Carrying amount								
At 31 December 2020	1,831,738	883,553	8,807	244,944	266,265	77,486	-	3,312,793
At 31 December 2019	1,387,567	1,502,173	9,665	243,018	329,361	107,102	16,272	3,595,158

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets (Continued)

Company	Freehold land and buildings	Leasehold land and buildings	Plant and equipment	Fixtures and fittings	Computers	Motor vehicles	Total
	£	£	£	£	£	£	£
Cost							
At 1 January 2020	1,414,000	2,369,257	1,508,658	531,404	583,607	3,350	6,410,276
Additions	-	11,970	100,053	2,267	20,665	-	134,955
Transfers	457,311	(457,311)	-	-	-	-	-
At 31 December 2020	1,871,311	1,923,916	1,608,711	533,671	604,272	3,350	6,545,231
Depreciation and impairment							
At 1 January 2020	26,433	867,084	1,284,504	394,317	501,396	3,350	3,077,084
Depreciation charged in the year	13,140	173,279	96,685	40,791	37,134	-	361,029
At 31 December 2020	39,573	1,040,363	1,381,189	435,108	538,530	3,350	3,438,113
Carrying amount							
At 31 December 2020	1,831,738	883,553	227,522	98,563	65,742	-	3,107,118
At 31 December 2019	1,387,567	1,502,173	224,154	137,087	82,211	-	3,333,192

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

12 Tangible fixed assets (Continued)

Tangible fixed assets are pledged as security for the bank overdraft. Included in freehold property includes land of £1m which is not depreciated.

13 Fixed asset investments

	Group 2020 £	2019 £	Company 2020 £	2019 £
Unlisted investments	-	-	2,900	2,900

Movements in fixed asset investments Company

Investments in subsidiaries

£

Cost or valuation

At 1 January 2020 and 31 December 2020

2,900

Carrying amount

At 31 December 2020

2,900

At 31 December 2019

2,900

14 Subsidiaries

Details of the company's subsidiaries at 31 December 2020 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct
Birmingham TPS (2015) Limited	A	Trade parts sales	Ordinary	95.00
Wolverhampton TPS (2015) Limited	A	Trade parts sales	Ordinary	95.00
Coventry TPS (2016) Limited	A	Trade parts sales	Ordinary	100.00

Registered office addresses:

A - Millennium House Audnam, Stourbridge, West Midlands, DY8 4AH

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

15 Stocks

	Group 2020 £	2019 £	Company 2020 £	2019 £
Parts stock	255,091	248,275	255,091	248,275
Vehicle stock	6,554,845	7,395,213	6,554,845	7,395,213
	<u>6,809,936</u>	<u>7,643,488</u>	<u>6,809,936</u>	<u>7,643,488</u>

Stocks are pledged as a security for vehicle funding and the bank overdraft.

16 Debtors

	Group 2020 £	2019 £	Company 2020 £	2019 £
Amounts falling due within one year:				
Trade debtors	916,573	1,495,293	553,303	1,205,111
Amounts owed by group undertakings	-	-	-	89,543
Prepayments and accrued income	504,297	692,353	433,821	636,127
	<u>1,420,870</u>	<u>2,187,646</u>	<u>987,124</u>	<u>1,930,781</u>

An impairment loss of £410 (2019: £1,422) was recognised against trade debtors during the year.

17 Creditors: amounts falling due within one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	19	30,559	423,438	30,559	423,438
Trade creditors		1,445,661	2,592,473	1,414,785	2,530,915
Amounts owed to group undertakings		-	-	493,976	535,000
Corporation tax payable		326,498	200,052	236,541	94,862
Other taxation and social security		494,109	476,840	319,439	282,145
Other creditors		4,613,950	5,317,016	4,608,624	5,301,824
Accruals and deferred income		491,202	706,426	423,440	576,417
		<u>7,401,979</u>	<u>9,716,245</u>	<u>7,527,364</u>	<u>9,744,601</u>

Included within trade and other creditors is stock funding which is secured on the related stocks.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

18 Creditors: amounts falling due after more than one year

	Notes	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans and overdrafts	19	847,409	868,596	847,409	868,596

19 Borrowings

	Group 2020 £	2019 £	Company 2020 £	2019 £
Bank loans	877,968	891,547	877,968	891,547
Bank overdrafts	-	400,487	-	400,487
	<u>877,968</u>	<u>1,292,034</u>	<u>877,968</u>	<u>1,292,034</u>
Payable within one year	30,559	423,438	30,559	423,438
Payable after one year	847,409	868,596	847,409	868,596

Bank loans relate to a mortgage of £877,968 (2019: £891,547) with National Westminster Bank Plc. National Westminster Bank Plc holds a fixed charge security over certain freehold land and buildings. The loan accrues interest at 1.874%, repayments are made on a quarterly basis and the loan is due to mature on 31 March 2028.

Bank overdrafts relate to an overdraft facility with Volkswagen Bank. Volkswagen Bank holds a general charge over all properties and assets present and future, including goodwill, book debts, uncalled share capital, buildings, fixtures and fixed plant and machinery.

20 Deferred taxation

The major deferred tax liabilities and assets recognised by the group and company are:

	Liabilities 2020 £	Liabilities 2019 £
Group		
Accelerated capital allowances	<u>167,660</u>	<u>106,469</u>
	Liabilities 2020 £	Liabilities 2019 £
Company		
Accelerated capital allowances	<u>156,389</u>	<u>94,375</u>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2020

20 Deferred taxation (Continued)

	Group 2020 £	Company 2020 £
Movements in the year:		
Liability at 1 January 2020	106,469	94,375
Charge to profit or loss	61,191	62,014
Liability at 31 December 2020	<u>167,660</u>	<u>156,389</u>

21 Share capital

	2020 Number	2019 Number	2020 £	2019 £
Ordinary share capital				
Issued and fully paid				
A Ordinary of £1 each	176,000	176,000	176,000	176,000
B Ordinary of £1 each	16,500	16,500	16,500	16,500
C Ordinary of £1 each	3,520	3,520	3,520	3,520
D Ordinary of £1 each	3,520	3,520	3,520	3,520
	<u>199,540</u>	<u>199,540</u>	<u>199,540</u>	<u>199,540</u>

The A Ordinary Shares, C Ordinary Shares and D Ordinary Shares rank pari passu in all respects except the distribution of profits.

The B Ordinary Shares are non-voting but do participate in dividends and distribution on winding up.

22 Financial commitments, guarantees and contingent liabilities

The group's bankers, National Westminster Bank Plc, hold a composite guarantee dated 2 March 2016 between Trust Group UK Limited and the following group companies: Wolverhampton TPS (2015) Limited, Coventry TPS (2016) Limited and Birmingham TPS (2015) Limited.

The total potential liability in relation to this cross guarantee at 31 December 2020 is £nil (2019: £nil).

23 Reserves

Capital redemption reserve

This reserve records the nominal value of shares repurchased by the company.

Profit and loss account

This reserve includes all current and prior period retained profits and losses.

Non-controlling interest reserve

This reserve represents a portion of equity ownership in a subsidiary not attributable to the parent company, which has a controlling interest (greater than 50% but less than 100%) and consolidates the subsidiary's financial results with its own.

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

24 Retirement benefit schemes

The company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension charge for the year was £242,892 (2019: £243,978). Amounts accrued at the balance sheet date were £1,968 (2019: £29,987).

25 Cash generated from group operations

	2020 £	2019 £
Profit for the year after tax	1,270,104	834,925
Adjustments for:		
Taxation charged	403,301	189,926
Finance costs	297,170	340,433
Loss/(gain) on disposal of tangible fixed assets	167	(4,062)
Depreciation and impairment of tangible fixed assets	417,159	395,150
Movements in working capital:		
Decrease in stocks	833,552	566,823
Decrease/(increase) in debtors	766,776	(483,965)
(Decrease)/increase in creditors	(2,047,833)	890,190
Cash generated from operations	1,940,396	2,729,420

26 Analysis of changes in net funds/(debt) - group

	1 January 2020 £	Cash flows £	31 December 2020 £
Cash at bank and in hand	945,178	508,535	1,453,713
Bank overdrafts	(400,487)	400,487	-
	544,691	909,022	1,453,713
Borrowings excluding overdrafts	(891,547)	13,579	(877,968)
	(346,856)	922,601	575,745

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

27 Operating lease commitments

Lessee

At the reporting end date the group had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	Group 2020 £	2019 £	Company 2020 £	2019 £
Within one year	1,043,321	1,040,196	912,521	909,396
Between one and five years	4,004,782	4,056,095	3,481,582	3,532,895
In over five years	1,436,130	2,428,138	1,161,552	2,022,760
	<u>6,484,233</u>	<u>7,524,429</u>	<u>5,555,655</u>	<u>6,465,051</u>

TRUST GROUP UK LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2020

28 Related party transactions

Transactions with related parties

Trust Group UK Limited is related to Wolverhampton TPS (2015) Limited by virtue of owning 95% of the share capital in the subsidiary company.

During the year, the company sold goods and services of £120,995 (2019: £141,361) and purchased goods and services of £13 (2019: £85) from Wolverhampton TPS (2015) Limited. At the balance sheet date, there was an amount due to Wolverhampton TPS (2015) Limited of £85,054 (2019: £109,585). The company received dividends from Wolverhampton TPS (2015) Limited of £Nil (2019: £665,000).

Trust Group UK Limited is related to Birmingham TPS (2015) Limited by virtue of owning 95% of the share capital in the subsidiary company.

During the year, the company sold goods and services of £12,794 (2019: £36,643) to Birmingham TPS (2015) Limited. At the balance sheet date, there was an amount due to Birmingham TPS (2015) Limited of £119,330 (2019: £107,030). The company received dividends from Birmingham TPS (2015) Limited of £Nil (2019: £570,000).

At the balance sheet date, the total balance due to N White was £22,387 (2019: £34,445). During the year, £90,458 (2019: £52,453) was advanced to N White and dividends of £78,400 (2019: £68,600) were declared.

At the balance sheet date, the total balance due to the company by J White was £2,180 (2019: £3,854). During the year, £76,726 (2019: £54,413) was advanced to J White and dividends of £78,400 (2019: £68,600) were declared.

At the balance sheet date the total balance due to A Hockedy was £23,724 (2019: £37,379). During the year £95,255 (2019: £51,635) were advanced to A Hockedy and dividends of £81,600 (2019: £71,400) were declared.

At the balance sheet date the total balance due to L Hockedy was £20,442 (2019: £13,374). During the year £74,532 (2019: £54,380) were advanced to L Hockedy and dividends of £81,600 (2019: £71,400) were declared.

In preparing these financial statements, the directors have taken advantage of the exemptions available under section 33, paragraph 1A of the Financial Reporting Standard 102, and have not disclosed transactions entered into between undertakings that are wholly owned within the group.

29 Controlling party

The group is deemed to be under the control of AJ Hockedy by virtue of his 51% interest in the voting share capital of the company.