



Grant Thornton

Financial Statements

Trend Technologies Scotland Limited

For the year ended 31 December 2018



Registered number: SC263638

Trend Technologies Scotland Limited

Company Information

Directors	Brian Dickstein Donal Lawlor (resigned 8 June 2018) Norman Rodger Alan Murdoch Earl Payton (appointed 8 June 2018)
Company secretary	Graeme Robson
Registered number	SC263638
Registered office	Unit A Glover Road Westwood Park Glenrothes Fife KY7 4AD
Independent auditor	Grant Thornton Chartered Accountants & Statutory Auditors City Quay Dublin 2
Bankers	Royal Bank of Scotland 3 Falkland Gate Kingdom Shopping Centre Glenrothes KY7 5NS
Solicitors	Charles Wood & Son 37 Kirk Wynd Kirkcaldy Fife KY1 1EN

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Trend Technologies Scotland Limited

Directors' report

For the year ended 31 December 2018

The directors present their annual report and the audited financial statements for the year ended 31 December 2018.

Principal activity

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

Business review

The additional unit housing assembly operations is now functioning well. It has allowed new business and customers to be taken on whilst allowing more efficient manufacturing operations in the original unit. Further growth is anticipated in 2019 supported by a strong order book at the end of 2018.

Investment

The company will continue to invest in the latest CNC machinery and equipment to maintain its competitive edge and reputation in the market.

Results and dividends

The profit for the year, after taxation, amounted to £459,770 (2017 - £188,018).

The directors are satisfied with the result for the year.

The directors recommended payment of a dividend during the year of £114,999, (2017: £300,093).

Directors interests

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

	Ordinary Shares of £1 each		A Ordinary Shares of £1 each	
	31/12/18	1/1/18	31/12/18	1/1/18
Brian Dickstein	-	-	-	-
Donal Lawlor (resigned 8 June 2018)	-	-	-	-
Norman Rodger	10,739	10,739	-	-
Alan Murdoch	10,739	10,739	-	-
Earl Payton (appointed 8 June 2018)	-	-	-	-

The directors of the company who served during the year are listed above.

Principal risks and uncertainties

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

Economic factors

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

Directors' report (continued)

For the year ended 31 December 2018

Disclosure of information to auditor

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

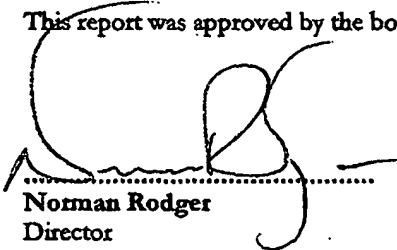
- So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware; and
- The directors have taken all the steps that ought to have been taken as directors in order to be aware of any relevant audit information and to establish that the company's auditors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

Auditor

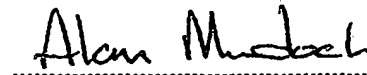
The auditor, Grant Thornton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

In presenting this report the directors have taken advantage of the small companies exemptions provided by section 415A of the companies Act 2006.

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



.....
Norman Rodger
Director



.....
Alan Murdoch
Director

Date: 14 May 2019

Directors' responsibilities statement

For the year ended 31 December 2018

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

Company law requires the directors to prepare audited financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), Including Financial Reporting Standard 102¹ The Financial Reporting Standard applicable in the UK and Republic of Ireland.

Under Company law the Directors must not approve financial statements unless satisfied that they a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

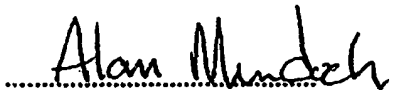
In preparing these audited financial statements, the directors are required to:

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

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

On behalf of the board


Norman Rodger
Director


Alan Murdoch
Director

Date: 14 May 2019



Independent auditor's report to the members of Trend Technologies Scotland Limited

Opinion

We have audited the financial statements of Trend Technologies Scotland Limited, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity for the year ended 31 December 2018, and the related notes to the financial statements, including a summary of significant accounting policies.

The financial reporting framework that has been applied in the 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, Trend Technologies Scotland Limited's financial statements:

- give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice of the financial position of the Company as at 31 December 2018 and of its financial performance for the year then ended; 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') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, namely FRC's Ethical Standard concerning the integrity, objectivity and independence of the auditor. We have fulfilled our ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Independent auditor's report to the members of Trend Technologies Scotland Limited (continued)

Other information

Other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon, including the Directors' report. The directors are responsible for the other information. Our opinion on the financial statements does not cover the 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 in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report or in preparing the Directors' report.

Independent auditor's report to the members of Trend Technologies Scotland Limited (continued)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of the financial statements which give a true and fair view in accordance with United Kingdom Generally Accepted Accounting Practice, including FRS 102 as adopted by the European Union, and for such internal control as directors determine necessary to enable the preparation of financial statements are free from material misstatement, whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Independent auditor's report to the members of Trend Technologies Scotland Limited (continued)

Responsibilities of the auditor for the audit of the financial statements

The objectives of an auditor 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.

As part of an audit in accordance with ISAs (UK), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. They will also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion of the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the 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 Company's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves a true and fair view.


The auditor shall communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.



Independent auditor's report to the members of Trend Technologies Scotland Limited (continued)

The purpose of our audit work and to whom we owe our responsibilities

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.


Michael Shelley (Senior statutory auditor)
for and on behalf of

Grant Thornton
Chartered Accountants
& Statutory Auditors
Dublin 2

Date: 14 May 2019

Statement of comprehensive income

For the year ended 31 December 2018

	Note	2018 £	2017 £
Turnover		10,230,154	8,284,281
Cost of sales		(7,456,389)	(6,014,130)
Gross profit		2,773,765	2,270,151
Administrative expenses		(2,278,571)	(2,055,208)
Other operating income	4	42,803	58,252
Operating profit	5	537,997	273,195
Interest payable and expenses	8	(74,799)	(54,868)
Profit before tax		463,198	218,327
Tax on profit	9	(3,428)	(30,309)
Profit for the year		459,770	188,018

There was no other comprehensive income for 2018 (2017: £NIL).

All amounts relate to continuing operations.

The notes on pages 13 to 27 form part of these financial statements.

Trend Technologies Scotland Limited
Registered number:SC263638

Statement of financial position

As at 31 December 2018

	Note	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Tangible fixed assets	11		1,926,432		1,757,840
Current assets					
Stocks	12	781,492		620,653	
Debtors: amounts falling due within one year	13	2,265,422		1,804,208	
Cash at bank and in hand	14	391,460		290,319	
		<u>3,438,374</u>		<u>2,715,180</u>	
Current liabilities					
Creditors: amounts falling due within one year	15	(2,446,938)		(1,905,591)	
Net current assets			<u>991,436</u>		<u>809,589</u>
Total assets less current liabilities			<u>2,917,868</u>		<u>2,567,429</u>
Creditors: amounts falling due after more than one year	16		(342,452)		(354,757)
Provisions for liabilities					
Deferred tax	18		(251,668)		(233,695)
Net assets			<u><u>2,323,748</u></u>		<u><u>1,978,977</u></u>
Capital and reserves					
Called up share capital	20		246,990		246,990
Share premium account	21		115,000		115,000
Profit and loss account	21		1,961,758		1,616,987
			<u><u>2,323,748</u></u>		<u><u>1,978,977</u></u>

Trend Technologies Scotland Limited

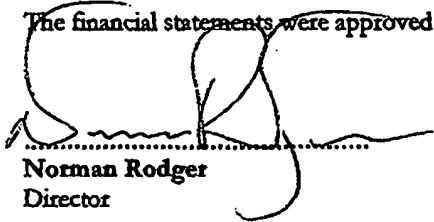
Registered number:SC263638

Statement of financial position (continued)


As at 31 December 2018

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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



Norman Rodger
Director



Alan Murdoch
Director

Date: 14 May 2019

The notes on pages 13 to 27 form part of these financial statements.

Statement of changes in equity

For the year ended 31 December 2018

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2018	246,990	115,000	1,616,987	1,978,977
Comprehensive income for the year				
Profit for the year	-	-	459,770	459,770
Dividends: Equity capital	-	-	(114,999)	(114,999)
At 31 December 2018	246,990	115,000	1,961,758	2,323,748

Statement of changes in equity

For the financial period ended 31 December 2017

	Called up share capital	Share premium account	Profit and loss account	Total equity
	£	£	£	£
At 1 January 2017	246,990	115,000	1,729,062	2,091,052
Comprehensive income for the year				
Profit for the year	-	-	188,018	188,018
Dividends: Equity capital	-	-	(300,093)	(300,093)
At 31 December 2017	246,990	115,000	1,616,987	1,978,977

The notes on pages 13 to 27 form part of these financial statements.

Notes to the financial statements

For the year ended 31 December 2018

1. General information

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

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and UK statute comprising of the Companies Act 2006.

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

The financial statements are presented in Sterling (£).

The following principal accounting policies have been applied:

2.2 Going concern

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

2.3 Revenue

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

Sale of goods

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

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

2.4 Finance cost

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

Notes to the financial statements

For the year ended 31 December 2018

2. Accounting policies (continued)

2.5 Operating leases: the Company as lessee

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

2.6 Pensions

Defined contribution pension plan

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

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

2.7 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

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

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

Notes to the financial statements

For the year ended 31 December 2018

2. Accounting policies (continued)

2.8 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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

2.9 Dividends

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

2.10 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Notes to the financial statements

For the year ended 31 December 2018

2. Accounting policies (continued)

2.10 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method and reducing balance.

Depreciation is provided on the following basis:

Motor vehicles	- 6 years
Leasehold improvements & fixtures and fittings	- Over the remaining term of the lease/3 years
Equipment & tooling	- 3/6 years
Computers equipment	- 3 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

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

2.11 Leased assets: the Company as lessee

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

2.12 Impairment

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

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

Notes to the financial statements

For the year ended 31 December 2018

2. Accounting policies (continued)

2.13 Stocks

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

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

2.14 Debtors

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

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Financial instruments

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

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

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

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

2.17 Creditors

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

Notes to the financial statements

For the year ended 31 December 2018

2. Accounting policies (continued)

2.18 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to the Statement of comprehensive income at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

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

2.19 Provisions for liabilities

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

Provisions are charged as an expense to the Statement of comprehensive income in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Statement of financial position.

Notes to the financial statements

For the year ended 31 December 2018

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

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

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

Useful lives of depreciable assets

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

Recoverability of trade receivables

The directors considered the recoverability of the company's balances due under contracts which is included in the balance sheet at 31 December 2018 at £2,178,599 (31 December 2017: £1,724,385). The directors have considered the ability of these customers to have the relevant facilities available to pay for these contracts. Based on these reviews, the directors are satisfied with the recoverability of balances due at the balance sheet date.

Inventories

Management estimates the net realisable values of inventories, taking into account the most reliable evidence available at each reporting date. The future realisation of these inventories may be affected by future technology or other market-driven changes that may reduce future selling prices. The provision amount included in the financial statements at the year end is £73,329 (2017: £60,329).

4. Other operating income

	2018 £	2017 £
Government grants receivable	42,803	58,252

5. Operating profit

The operating profit is stated after charging/crediting:

	2018 £	2017 £
Depreciation of tangible fixed assets	277,040	260,265
Profit on sale of tangible fixed assets	(1,349)	-
Operating leases - Land and buildings	239,173	190,331
Operating leases - Other	23,395	-
Exchange differences	3,469	2,209
Defined contribution pension cost	81,663	77,029

Notes to the financial statements

For the year ended 31 December 2018

6. Employees

The average monthly number of employees, including directors, during the year was 111 (2017 - 107).

7. Directors' remuneration

	2018 £	2017 £
Directors' emoluments	185,476	191,212
Directors' national insurance	23,284	20,123
Directors' pension costs	13,090	11,920
	<u>221,850</u>	<u>223,255</u>

8. Interest payable and similar charges

	2018 £	2017 £
Hire purchase interest payable	57,922	51,799
Invoice discounting interest	16,877	3,069
	<u>74,799</u>	<u>54,868</u>

9. Taxation

	2018 £	2017 £
Corporation tax		
Current tax on profits for the year	72,904	38,126
Overprovision in prior years	-	(331)
R&D tax credit	(87,449)	-
Total current tax	<u>(14,545)</u>	<u>37,795</u>
Deferred tax		
Deferred tax - Charged/(credited) to profit or loss (Note 18)	17,973	(7,486)
Total deferred tax	<u>17,973</u>	<u>(7,486)</u>
Taxation on profit on ordinary activities	<u>3,428</u>	<u>30,309</u>

Notes to the financial statements

For the year ended 31 December 2018

9. Taxation (continued)

Factors affecting tax charge for the year

The tax assessed for the year is lower than (2017 - lower than) the profit for the year multiplied by the standard rate of corporation tax in the UK of 19% (2017 - 19%). The differences are explained below:

	2018 £	2017 £
Profit on ordinary activities before tax	<u>463,198</u>	<u>218,327</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19%)	88,008	42,021
Effects of:		
Difference between capital allowances and depreciation	(8,901)	2,297
Income/expenses not deductible for tax purposes	893	(6,192)
overprovision in prior years	-	(331)
Deferred transfer to/(from) deferred taxation tax	17,973	(7,486)
Other timing differences	(7,096)	-
R&D Tax credit	(87,449)	-
Total tax charge for the year	<u>3,428</u>	<u>30,309</u>

Notes to the financial statements

For the year ended 31 December 2018

10. Dividends

	2018 £	2017 £
Ordinary shares - paid £0.4656 (2017 £1.215) per share	<u>114,999</u>	<u>300,093</u>

11. Tangible fixed assets

	Motor vehicles £	Leasehold improvements & fixtures and fittings £	Equipment & tooling £	Computer equipment & software £	Total £
Cost or valuation					
At 1 January 2018	78,819	213,148	3,390,713	208,107	3,890,787
Additions	-	-	477,284	-	477,284
Disposals	-	-	(112,384)	-	(112,384)
At 31 December 2018	<u>78,819</u>	<u>213,148</u>	<u>3,755,613</u>	<u>208,107</u>	<u>4,255,687</u>
Depreciation					
At 1 January 2018	44,309	92,987	1,810,363	185,288	2,132,947
Charge for the year on owned assets	8,630	21,052	240,203	7,155	277,040
Disposals	-	-	(80,732)	-	(80,732)
At 31 December 2018	<u>52,939</u>	<u>114,039</u>	<u>1,969,834</u>	<u>192,443</u>	<u>2,329,255</u>
Net book value					
At 31 December 2018	<u>25,880</u>	<u>99,109</u>	<u>1,785,779</u>	<u>15,664</u>	<u>1,926,432</u>
At 31 December 2017	<u>34,510</u>	<u>120,161</u>	<u>1,580,350</u>	<u>22,819</u>	<u>1,757,840</u>

The net book value of tangible fixed assets includes £1,634,831 (2017: £1,434,048) in respect of assets held under hire purchase agreements. Depreciation charged on these assets in the year amounted to £194,492 (2017: £188,871).

Notes to the financial statements

For the year ended 31 December 2018

12. Stocks

	2018 £	2017 £
Raw materials and consumables	573,166	506,858
Work in progress	148,205	65,059
Finished goods and goods for resale	60,121	48,736
	<u>781,492</u>	<u>620,653</u>

Stock recognised in cost of sales during the year as an expense was £4,836,344 (2017: £3,466,776).

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

Stock provision included in the above figures amounted to £73,329 (2017: £60,329).

13. Debtors

Amounts fully due within one year

	2018 £	2017 £
Trade debtors	2,178,599	1,724,385
Amounts owed by group undertakings	14	323
Other debtors	11,303	47,785
Prepayments	75,506	31,715
	<u>2,265,422</u>	<u>1,804,208</u>

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

14. Cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	<u>391,460</u>	<u>290,319</u>

Notes to the financial statements

For the year ended 31 December 2018

15. Creditors: Amounts falling due within one year

	2018	2017
	£	£
Trade creditors	834,971	619,596
Amounts owed to group undertakings	16,238	-
Corporation tax	72,166	38,126
Other taxation and social security	197,679	65,404
Obligations under finance lease and hire purchase contracts (Note 17)	309,371	278,422
Factored debts	597,536	545,660
Other creditors	12,800	-
Accruals	406,177	358,383
	<u>2,446,938</u>	<u>1,905,591</u>

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

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

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

Obligations under finance leases are secured by the assets to which they relate. Finance leases are repayable at various dates over the coming months in accordance with the terms of the agreement. The repayment terms of finance leases due after one year are set out below. Amounts owed to group undertakings are unsecured, interest free and repayable on demand.

Proceeds of factored debts are secured against trade debtors.

16. Creditors: Amounts falling due after more than one year

	2018	2017
	£	£
Net obligations under finance leases and hire purchase contracts (Note 17)	312,458	288,763
Government grants received (Note 19)	29,994	65,994
	<u>342,452</u>	<u>354,757</u>

Notes to the financial statements

For the year ended 31 December 2018

17. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2018 £	2017 £
Within one year	309,371	278,422
Between 1- 2 years	139,056	233,598
Between 2- 5 years	173,402	55,165
	<u>621,829</u>	<u>567,185</u>

Lease liabilities are secured on the leased assets.

18. Deferred taxation

	2018 £	2017 £
At beginning of year	233,695	241,181
Charged/(credited) to profit or loss	17,973	(7,486)
At end of year	<u>251,668</u>	<u>233,695</u>

The provision for deferred taxation is made up as follows:

	2018 £	2017 £
Accelerated capital allowances	257,367	246,234
Grant reserve	(5,699)	(12,539)
	<u>251,668</u>	<u>233,695</u>

Notes to the financial statements

For the year ended 31 December 2018

19. Government grants

	2018 £	2017 £
Received and Receivable		
At 31 December 2017	667,525	645,000
Grants recieved during the year	6,803	22,252
At 31 December 2018	674,328	667,252
Amortised		
At 31 December 2017	601,258	543,006
Released to profit and loss	42,803	58,252
At 31 December 2018	644,061	601,258
At 31 December 2018	29,994	65,994

20. Share capital

	2018 £	2017 £
Authorised, allotted, called up and fully paid		
32,217 Ordinary Shares of £1 each	32,217	32,217
214,773 A Ordinary Shares of £1 each	214,773	214,773
	246,990	246,990

The Ordinary Shares and A Ordinary Shares rank pari passu. The shares are non redeemable. Each share is entitled to one vote.

21. Reserves

Share Capital

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

Share premium account

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

Profit and loss account

Includes all current and prior period retained profits and losses.

Notes to the financial statements

For the year ended 31 December 2018

22. Commitments under operating leases

At 31 December 2018, the Company had future minimum lease payments under non-cancellable operating leases as follows:

	Land & buildings 2018 £	Others 2018 £	Land & Buildings 2017 £	Others 2017 £
Not later than 1 year	266,526	18,385	210,193	24,243
Bewteen 1 - 2 years	280,526	13,059	263,859	18,385
Between 2 - 5 years	589,528	16,806	777,578	17,582
Later than 5 years	12,877	-	167,403	-
	<u>1,149,457</u>	<u>48,250</u>	<u>1,419,033</u>	<u>60,210</u>

23. Related party transactions

During the year the company had transactions with the following related parties :

Trend Technologies LLC, Chino: At 31 December 2018 the balance owed by Trend Technologies Scotland Limited is £16,238 (31 December 2017 - £Nil). During the year 2018 Trend Technologies Scotland Limited paid a corporate management charge to Trend Technologies LLC. of £82,148. Sales to Trend Technologies LLC, Chino during the year amounted to £16.

Trend Technologies LLC, Chicago: During the year 2018 Trend Technologies Scotland Limited made sales to Trend Technologies LLC, Chicago which amounted to £1,967. During the year 2018 Trend Technologies Scotland Limited made purchases from Trend Technologies LLC, Chicago which amounted to £1,218.

24. Post balance sheet events

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

25. Controlling party

Trend Technologies Holdings Limited the previous majority shareholder merged with Tintarent Limited on 28 June 2018. All assets including the shareholding in Trend Technologies Scotland Limited transferred to this company which changed it's name to Trend Technologies Group Limited. Trend Technologies Group Limited registered in Ireland is the immediate parent company and the ultimate parent undertaking is EEP Holdings LLC, a company incorporated in the USA.

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