

**GROUP STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2019  
FOR  
TRATOS (UK) LIMITED**

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for the year ended 31 December 2019**

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**TRATOS (UK) LIMITED**  
**COMPANY INFORMATION**  
**for the year ended 31 December 2019**

<b>DIRECTORS:</b>	Dr Albano Bragagni Dr Maurizio Bragagni Mr Germano Bragagni Dr Ennio Bragagni Capaccini Dr Elisabetta Bragagni Capaccini Dr Enrico Scambia Mr Kevin Martin
<b>SECRETARY:</b>	Mr Kevin Martin
<b>REGISTERED OFFICE:</b>	Randles Road Knowsley Business Park Knowsley L34 9HX
<b>REGISTERED NUMBER:</b>	01524815 (England and Wales)
<b>SENIOR STATUTORY AUDITOR:</b>	Mr James Timothy Card FCCA
<b>AUDITOR:</b>	Hewitt Card Limited Statutory Auditor 70-72 Nottingham Road Mansfield Nottinghamshire NG18 1BN

**GROUP STRATEGIC REPORT  
for the year ended 31 December 2019**

The directors present their strategic report of the company and the group for the year ended 31 December 2019.

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

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

**GROUP STRATEGIC REPORT  
for the year ended 31 December 2019**

**REVIEW OF BUSINESS**

Uncertainty is what we have been left with after the multiple events that have affected our world this year. There is no certainty of what will happen in the future and no certainty of what impact these events will have on the economic, social and political aspects of our lives; we have been left with lots of questions and very few answers.

There is the uncertainty of what Brexit might bring, there is the risk of a trade conflict between China and the United States, there is the unpredictability of COVID-19 which has suddenly spread around the world and has massively affected our lives, our ways of doing business and our economy.

In these challenging times, I believe that the only certainty that we can count on is the fact that we are going towards an uncertain future. Using a metaphor, the sky is full of clouds and we cannot predict the dimension of the storm that those clouds will produce.

Seeing the unpredictability we are now facing, especially from a business point of view, it is neither coherent or responsible to make a plan and to try to predict what will happen in the future. At the moment what we are asked to do is to face reality bearing in mind the values and mission we stand for. The only solution that we have is to act accordingly to our values independently from the circumstances we will have to deal with.

Therefore, I believe, it is fundamental to reiterate those values and their importance to deal with this "storm" that we will soon be involved in.

The values and principles Tratos has been standing for are the seventeen sustainable development goals of the United Nations. These goals have been embedded in Tratos' culture and mission since 1966. These are goals that the company has always attempted to achieve when conducting business. These are the values that it is important to keep in mind and that must guide us independently from the adversities that we will face.

The seventeen goals of the United Nations are:

- " GOAL 1: No Poverty
- " GOAL 2: Zero Hunger
- " GOAL 3: Good Health and Well-being
- " GOAL 4: Quality Education
- " GOAL 5: Gender Equality
- " GOAL 6: Clean Water and Sanitation
- " GOAL 7: Affordable and Clean Energy
- " GOAL 8: Decent Work and Economic Growth
- " GOAL 9: Industry, Innovation and Infrastructure
- " GOAL 10: Reduced Inequality
- " GOAL 11: Sustainable Cities and Communities
- " GOAL 12: Responsible Consumption and Production
- " GOAL 13: Climate Action
- " GOAL 14: Life Below Water
- " GOAL 15: Life on Land
- " GOAL 16: Peace and Justice Strong Institutions
- " GOAL 17: Partnerships to achieve the Goal

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

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

2019 was a challenging year, a year where the first effects of an upcoming crisis started to appear. Now we are aware of that crisis and with such awareness we have to follow a path which will support our actions and decisions in this moment of ambiguity and uncertainty.

**GROUP STRATEGIC REPORT  
for the year ended 31 December 2019**

We will stand for our values and we will make sure that those values will be embraced by our shareholders. It is fundamental to understand the paramount importance of having ideals which guides our decisions. Therefore, as it has happened in the past, Tratos will continue to operate basing its actions on those seventeen goals that are at its roots.

In these challenging times, where uncertainty reigns, it is not possible to delineate a more detailed report. The only thing that we can do is to be consistent and loyal to what we have built until now.

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

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

	<b>2019</b>	<b>2018</b>
Turnover	<b>£19.5m</b>	£23.7m
Gross profit percentage	<b>20.58%</b>	20.94%
Net (loss)/profit	<b>(£586k)</b>	£47k
Shareholders funds	<b>£4.6m</b>	£5.1m

**PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks that we face are those arising from competition in the marketplace particularly in the form of price and supply.

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

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

**ON BEHALF OF THE BOARD:**

Mr Kevin Martin - Secretary

1 June 2020

**REPORT OF THE DIRECTORS**  
**for the year ended 31 December 2019**

The directors present their report with the financial statements of the company and the group for the year ended 31 December 2019.

**PRINCIPAL ACTIVITIES**

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

**DIVIDENDS**

No dividends will be distributed for the year ended 31 December 2019.

**DIRECTORS**

The directors during the year under review were:

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

The beneficial interests of the directors holding office on 31 December 2019 in the issued share capital of the company were as follows:

	31.12.19	1.1.19
<b>Ordinary A £1 shares</b>		
Dr Albano Bragagni	22,060	22,060
Dr Maurizio Bragagni	375,020	375,020
Mr Germano Bragagni	-	-
Dr Ennio Bragagni Capaccini	176,480	176,480
Dr Elisabetta Bragagni Capaccini	176,480	176,480
Dr Enrico Scambia	-	-
Mr Kevin Martin	-	-
<b>Ordinary B £1 shares</b>		
Dr Albano Bragagni	-	-
Dr Maurizio Bragagni	-	-
Mr Germano Bragagni	-	-
Dr Ennio Bragagni Capaccini	-	-
Dr Elisabetta Bragagni Capaccini	-	-
Dr Enrico Scambia	-	-
Mr Kevin Martin	-	-
<b>Ordinary C £1 shares</b>		
Dr Albano Bragagni	-	-
Dr Maurizio Bragagni	-	-
Mr Germano Bragagni	-	-
Dr Ennio Bragagni Capaccini	-	-
Dr Elisabetta Bragagni Capaccini	-	-
Dr Enrico Scambia	-	-
Mr Kevin Martin	-	-

**REPORT OF THE DIRECTORS  
for the year ended 31 December 2019**

**FINANCIAL INSTRUMENTS**

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

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

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

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

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

**AUDITOR**

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

**ON BEHALF OF THE BOARD:**

Mr Kevin Martin - Secretary

1 June 2020

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

### **Opinion**

I have audited the financial statements of Tratos (UK) Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 December 2019 which comprise the Consolidated Income Statement, Consolidated Other Comprehensive Income, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Cash Flow Statement and Notes to the Consolidated Cash Flow Statement, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In my opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent company affairs as at 31 December 2019 and of the group's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. My responsibilities under those standards are further described in the Auditor responsibilities for the audit of the financial statements section of my report. I am independent of the group in accordance with the ethical requirements that are relevant to my audit of the financial statements in the UK, including the FRC's Ethical Standard, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

### **Conclusions relating to going concern**

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me 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 group's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

### **Other information**

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

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

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If I identify such material inconsistencies or apparent material misstatements, I am 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 I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

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

### **Matters on which I am required to report by exception**

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, I have not identified material misstatements in the Group Strategic Report or the Report of the Directors.

I have nothing to report in respect of the following matters where the Companies Act 2006 requires me to report to you if, in my opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for my audit have not been received from branches not visited by me; 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
- I have not received all the information and explanations I require for my audit.

### **Responsibilities of directors**

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

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

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

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditor that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my Report of the Auditor.

### **Use of my 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. My audit work has been undertaken so that I might state to the company's members those matters I am required to state to them in a Report of the Auditor and for no other purpose. To the fullest extent permitted by law, I do not accept or assume responsibility to anyone other than the company and the company's members as a body, for my audit work, for this report, or for the opinions I have formed.

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

1 June 2020

**TRATOS (UK) LIMITED (REGISTERED NUMBER: 01524815)**

**CONSOLIDATED INCOME STATEMENT**  
for the year ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>TURNOVER</b>		<b>19,516,201</b>	23,698,560
Cost of sales		<u>15,500,083</u>	<u>18,733,931</u>
<b>GROSS PROFIT</b>		<b>4,016,118</b>	4,964,629
Administrative expenses		<u>4,692,089</u> (675,971)	<u>4,478,798</u> 485,831
Other operating income		<u>258,127</u>	<u>(143,912)</u>
<b>OPERATING (LOSS)/PROFIT</b>	4	<b>(417,844)</b>	341,919
Interest payable and similar expenses	5	<u>206,606</u>	<u>278,252</u>
<b>(LOSS)/PROFIT BEFORE TAXATION</b>		<b>(624,450)</b>	63,667
Tax on (loss)/profit	6	<u>(37,835)</u>	<u>16,386</u>
<b>(LOSS)/PROFIT FOR THE FINANCIAL YEAR</b>		<b>(586,615)</b>	<u>47,281</u>
(Loss)/profit attributable to: Owners of the parent		<u>(586,615)</u>	<u>47,281</u>

The notes form part of these financial statements

**TRATOS (UK) LIMITED (REGISTERED NUMBER: 01524815)**

**CONSOLIDATED OTHER COMPREHENSIVE INCOME**  
**for the year ended 31 December 2019**

	Notes	31.12.19 £	31.12.18 £
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<b>(586,615)</b>	47,281
<b>OTHER COMPREHENSIVE INCOME</b>		<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b><u>(586,615)</u></b>	<b><u>47,281</u></b>
Total comprehensive income attributable to: Owners of the parent		<b><u>(586,615)</u></b>	<b><u>47,281</u></b>

The notes form part of these financial statements

**CONSOLIDATED BALANCE SHEET**  
**31 December 2019**

	Notes	31.12.19 £	£	31.12.18 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		308,862		241,109
Tangible assets	10		17,784,936		17,910,238
Investments	11		-		-
			<u>18,093,798</u>		<u>18,151,347</u>
<b>CURRENT ASSETS</b>					
Stocks	12	8,385,130		6,849,854	
Debtors	13	2,351,163		4,490,993	
Cash at bank and in hand		<u>1,468,708</u>		<u>286,718</u>	
		<u>12,205,001</u>		<u>11,627,565</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>12,824,426</u>		<u>11,418,740</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<u>(619,425)</u>		<u>208,825</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>17,474,373</u>		<u>18,360,172</u>
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		(12,382,215)		(12,638,279)
<b>PROVISIONS FOR LIABILITIES</b>	19		<u>(484,554)</u>		<u>(527,674)</u>
<b>NET ASSETS</b>			<u><u>4,607,604</u></u>		<u><u>5,194,219</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		4,000,080		4,000,080
Capital redemption reserve	21		32		32
Retained earnings	21		<u>607,492</u>		<u>1,194,107</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>4,607,604</u></u>		<u><u>5,194,219</u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 1 June 2020 and were signed on its behalf by:

Dr Maurizio Bragagni - Director

**COMPANY BALANCE SHEET**  
**31 December 2019**

	Notes	31.12.19 £	£	31.12.18 £	£
<b>FIXED ASSETS</b>					
Intangible assets	9		308,862		241,109
Tangible assets	10		17,779,140		17,873,829
Investments	11		<u>100</u>		<u>100</u>
			<b>18,088,102</b>		<b>18,115,038</b>
<b>CURRENT ASSETS</b>					
Stocks	12	8,385,130		6,849,854	
Debtors	13	2,478,869		4,607,774	
Cash at bank and in hand		<u>1,321,514</u>		<u>201,932</u>	
		<b>12,185,513</b>		<b>11,659,560</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	14	<u>12,800,706</u>		<u>11,419,394</u>	
<b>NET CURRENT (LIABILITIES)/ASSETS</b>			<b>(615,193)</b>		<b>240,166</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>17,472,909</b>		<b>18,355,204</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	15		<b>(12,382,215)</b>		<b>(12,638,279)</b>
<b>PROVISIONS FOR LIABILITIES</b>	19		<u><b>(484,554)</b></u>		<u><b>(526,314)</b></u>
<b>NET ASSETS</b>			<u><b>4,606,140</b></u>		<u><b>5,190,611</b></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	20		4,000,080		4,000,080
Capital redemption reserve	21		32		32
Retained earnings	21		<u>606,028</u>		<u>1,190,499</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><b>4,606,140</b></u>		<u><b>5,190,611</b></u>
Company's (loss)/profit for the financial year			<u><b>(584,471)</b></u>		<u><b>45,510</b></u>

The financial statements were approved by the Board of Directors and authorised for issue on 1 June 2020 and were signed on its behalf by:

Dr Maurizio Bragagni - Director

**TRATOS (UK) LIMITED (REGISTERED NUMBER: 01524815)**

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**for the year ended 31 December 2019**

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2018</b>	4,000,080	1,146,826	32	5,146,938
<b>Changes in equity</b>				
Total comprehensive income	-	47,281	-	47,281
<b>Balance at 31 December 2018</b>	<u>4,000,080</u>	<u>1,194,107</u>	<u>32</u>	<u>5,194,219</u>
<b>Changes in equity</b>				
Total comprehensive income	-	(586,615)	-	(586,615)
<b>Balance at 31 December 2019</b>	<u>4,000,080</u>	<u>607,492</u>	<u>32</u>	<u>4,607,604</u>

The notes form part of these financial statements

**COMPANY STATEMENT OF CHANGES IN EQUITY**  
for the year ended 31 December 2019

	<b>Called up share capital £</b>	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Total equity £</b>
<b>Balance at 1 January 2018</b>	4,000,080	1,144,989	32	5,145,101
<b>Changes in equity</b>				
Total comprehensive income	-	45,510	-	45,510
<b>Balance at 31 December 2018</b>	<u>4,000,080</u>	<u>1,190,499</u>	<u>32</u>	<u>5,190,611</u>
<b>Changes in equity</b>				
Total comprehensive income	-	(584,471)	-	(584,471)
<b>Balance at 31 December 2019</b>	<u>4,000,080</u>	<u>606,028</u>	<u>32</u>	<u>4,606,140</u>

The notes form part of these financial statements

**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 December 2019

	Notes	31.12.19 £	31.12.18 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	383,139	3,318,024
Interest paid		(206,606)	(278,678)
Interest element of hire purchase or finance lease rental payments paid		-	426
Tax paid		(5,283)	(10,901)
Net cash from operating activities		<u>171,250</u>	<u>3,028,871</u>
<b>Cash flows from investing activities</b>			
Purchase of intangible fixed assets		(186,663)	(111,096)
Purchase of tangible fixed assets		(488,595)	(936,909)
Sale of tangible fixed assets		20,991	-
Net cash from investing activities		<u>(654,267)</u>	<u>(1,048,005)</u>
<b>Cash flows from financing activities</b>			
Loan repayments in year		(441,328)	(427,918)
Net cash from financing activities		<u>(441,328)</u>	<u>(427,918)</u>
<b>(Decrease)/increase in cash and cash equivalents</b>		<u>(924,345)</u>	<u>1,552,948</u>
<b>Cash and cash equivalents at beginning of year</b>	2	(252,721)	(1,805,669)
<b>Cash and cash equivalents at end of year</b>	2	<u>(1,177,066)</u>	<u>(252,721)</u>

The notes form part of these financial statements

**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 December 2019

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

	31.12.19	31.12.18
	£	£
(Loss)/profit before taxation	(624,450)	63,667
Depreciation charges	708,154	670,023
Loss on disposal of fixed assets	3,660	-
Finance costs	206,606	278,252
	<u>293,970</u>	<u>1,011,942</u>
Increase in stocks	(1,535,276)	(589,569)
Decrease/(increase) in trade and other debtors	2,139,830	(24,238)
(Decrease)/increase in trade and other creditors	(515,385)	2,919,889
<b>Cash generated from operations</b>	<u><b>383,139</b></u>	<u><b>3,318,024</b></u>

**2. CASH AND CASH EQUIVALENTS**

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

**Year ended 31 December 2019**

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

**Year ended 31 December 2018**

	31.12.18	1.1.18
	£	£
Cash and cash equivalents	286,718	114,729
Bank overdrafts	(539,439)	(1,920,398)
	<u><b>(252,721)</b></u>	<u><b>(1,805,669)</b></u>

**3. ANALYSIS OF CHANGES IN NET DEBT**

	At 1.1.19	Cash flow	At 31.12.19
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	286,718	1,181,990	1,468,708
Bank overdrafts	(539,439)	(2,106,335)	(2,645,774)
	<u><b>(252,721)</b></u>	<u><b>(924,345)</b></u>	<u><b>(1,177,066)</b></u>
<b>Debt</b>			
Debts falling due within 1 year	(441,328)	(4,733)	(446,061)
Debts falling due after 1 year	(3,932,470)	446,061	(3,486,409)
	<u><b>(4,373,798)</b></u>	<u><b>441,328</b></u>	<u><b>(3,932,470)</b></u>
<b>Total</b>	<u><b>(4,626,519)</b></u>	<u><b>(483,017)</b></u>	<u><b>(5,109,536)</b></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**for the year ended 31 December 2019**

**1. STATUTORY INFORMATION**

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

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

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

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

The group has early adopted the triennial review 2017 amendments in these accounts

**Turnover**

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

**Goodwill**

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

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

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

**Development costs**

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

**Tangible fixed assets**

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

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

**Impairment of assets**

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2019**

**2. ACCOUNTING POLICIES - continued**

**Stocks**

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

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

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

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

Stocks are valued on the FIFO basis.

**Taxation**

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

Current or deferred taxation assets and liabilities are not discounted.

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

**Deferred tax**

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

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

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

**Foreign currencies**

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

**Pension costs and other post-retirement benefits**

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

**Government grants**

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

**3. EMPLOYEES AND DIRECTORS**

	<b>31.12.19</b>	<b>31.12.18</b>
	<b>£</b>	<b>£</b>
Wages and salaries	<b>1,748,941</b>	1,771,707
Social security costs	<b>175,193</b>	180,580
Other pension costs	<b>121,937</b>	100,255
	<b><u>2,046,071</u></b>	<b><u>2,052,542</u></b>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
**for the year ended 31 December 2019**

**3. EMPLOYEES AND DIRECTORS - continued**

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

	31.12.19	31.12.18
	<u>53</u>	<u>54</u>
	31.12.19	31.12.18
	£	£
Directors' remuneration	281,252	185,209
Directors' pension contributions to money purchase schemes	<u>72,947</u>	<u>62,534</u>

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

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

Information regarding the highest paid director for the year ended 31 December 2019 is as follows:

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

**4. OPERATING (LOSS)/PROFIT**

The operating loss (2018 - operating profit) is stated after charging/(crediting):

	31.12.19	31.12.18
	£	£
Depreciation - owned assets	589,246	647,999
Loss on disposal of fixed assets	3,660	-
Development costs amortisation	118,910	22,024
Auditors' remuneration	16,486	23,457
Auditors remuneration other services	3,270	3,145
Foreign exchange differences	<u>(81,211)</u>	<u>143,912</u>

**5. INTEREST PAYABLE AND SIMILAR EXPENSES**

	31.12.19	31.12.18
	£	£
Bank interest	-	27
Bank loan interest	144,927	176,445
Interest on parent company debt	29,994	73,388
Invoice discounting interest	31,685	28,818
Hire purchase	-	(426)
	<u>206,606</u>	<u>278,252</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2019

**6. TAXATION**

**Analysis of the tax (credit)/charge**

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

	31.12.19 £	31.12.18 £
Current tax:		
Overseas tax	5,284	10,901
Deferred tax	(43,119)	5,485
Tax on (loss)/profit	<u>(37,835)</u>	<u>16,386</u>

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

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

	31.12.19 £	31.12.18 £
(Loss)/profit before tax	<u>(624,450)</u>	<u>63,667</u>
(Loss)/profit multiplied by the standard rate of corporation tax in the UK of 19% (2018 - 19%)	(118,646)	12,097
Effects of:		
Expenses not deductible for tax purposes	74,974	9,406
Capital allowances in excess of depreciation	(168,979)	(151,394)
Utilisation of tax losses	212,652	129,891
Overseas tax	5,284	10,901
Deferred tax	(43,120)	5,485
Total tax (credit)/charge	<u>(37,835)</u>	<u>16,386</u>

**7. INDIVIDUAL INCOME STATEMENT**

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

**8. DEFINED CONTRIBUTION PENSION SCHEME**

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

The total cost of contributions in the year is £121,937 (2018: £100,255). No contributions were outstanding at 31st December 2019 (2018:nil)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019

9. INTANGIBLE FIXED ASSETS

Group

	Goodwill £	Goodwill £	Development costs £	Totals £
<b>COST</b>				
At 1 January 2019	126,325	(234,262)	263,133	155,196
Additions	-	-	186,663	186,663
At 31 December 2019	<u>126,325</u>	<u>(234,262)</u>	<u>449,796</u>	<u>341,859</u>
<b>AMORTISATION</b>				
At 1 January 2019	126,325	(234,262)	22,024	(85,913)
Amortisation for year	-	-	118,910	118,910
At 31 December 2019	<u>126,325</u>	<u>(234,262)</u>	<u>140,934</u>	<u>32,997</u>
<b>NET BOOK VALUE</b>				
At 31 December 2019	<u>-</u>	<u>-</u>	<u>308,862</u>	<u>308,862</u>
At 31 December 2018	<u>-</u>	<u>-</u>	<u>241,109</u>	<u>241,109</u>

Company

	Development costs £
<b>COST</b>	
At 1 January 2019	263,133
Additions	<u>186,663</u>
At 31 December 2019	<u>449,796</u>
<b>AMORTISATION</b>	
At 1 January 2019	22,024
Amortisation for year	<u>118,910</u>
At 31 December 2019	<u>140,934</u>
<b>NET BOOK VALUE</b>	
At 31 December 2019	<u>308,862</u>
At 31 December 2018	<u>241,109</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2019

10. **TANGIBLE FIXED ASSETS**

**Group**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST</b>					
At 1 January 2019	7,790,871	12,690,945	522,305	56,345	21,060,466
Additions	29,167	377,468	81,960	-	488,595
Disposals	-	-	(35,846)	(45,204)	(81,050)
At 31 December 2019	7,820,038	13,068,413	568,419	11,141	21,468,011
<b>DEPRECIATION</b>					
At 1 January 2019	573,061	2,308,638	226,815	41,714	3,150,228
Charge for year	158,351	394,442	33,579	2,874	589,246
Eliminated on disposal	-	-	(21,355)	(35,044)	(56,399)
At 31 December 2019	731,412	2,703,080	239,039	9,544	3,683,075
<b>NET BOOK VALUE</b>					
At 31 December 2019	7,088,626	10,365,333	329,380	1,597	17,784,936
At 31 December 2018	7,217,810	10,382,307	295,490	14,631	17,910,238

Included in cost of land and buildings is freehold land of £463,000 (2018 - £463,000) which is not depreciated.

**Company**

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
<b>COST OR VALUATION</b>					
At 1 January 2019	7,782,959	12,688,373	481,545	13,783	20,966,660
Additions	29,167	377,468	81,960	-	488,595
At 31 December 2019	7,812,126	13,065,841	563,505	13,783	21,455,255
<b>DEPRECIATION</b>					
At 1 January 2019	565,149	2,306,066	209,966	11,650	3,092,831
Charge for year	158,351	394,442	29,957	534	583,284
At 31 December 2019	723,500	2,700,508	239,923	12,184	3,676,115
<b>NET BOOK VALUE</b>					
At 31 December 2019	7,088,626	10,365,333	323,582	1,599	17,779,140
At 31 December 2018	7,217,810	10,382,307	271,579	2,133	17,873,829

Included in cost or valuation of land and buildings is freehold land of £ 463,000 (2018 - £ 463,000 ) which is not depreciated.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019

11. **FIXED ASSET INVESTMENTS**

**Company**

**Unlisted  
investments**  
£

**COST**

At 1 January 2019  
and 31 December 2019

**100**

**NET BOOK VALUE**

At 31 December 2019

**100**

At 31 December 2018

**100**

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

**Subsidiaries**

**Hamilton Cables (East Anglia) Ltd**

Registered office:

Nature of business: dormant

%

Class of shares:

holding

Ordinary

100.00

The subsidiary has a nil balance sheet value for the years ended 31st December 2018 and 2017.

The registered office of the subsidiary is:

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

**Hamilton Cables Limited**

Registered office:

Nature of business: dormant

%

Class of shares:

holding

Ordinary

100.00

The subsidiary has a nil balance sheet value for the years ended 31st December 2018 and 2017.

The registered office of the subsidiary is:

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019

11. **FIXED ASSET INVESTMENTS - continued**

**North West Cables Limited**

Registered office:

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

The subsidiary has a nil balance sheet value for the years ended 31st December 2018 and 2017.

The registered office of the subsidiary is:

Randles Road  
Knowsley Business Park  
Knowsley  
Merseyside  
L34 9HX

**HEPR Limited**

Registered office:

Nature of business: Dormant

	%
Class of shares:	holding
Ordinary	100.00

The subsidiary has a nil balance sheet value for the years ended 31st December 2018 and 2017.

The registered office of the subsidiary is:

Randles Road  
Knowsley Business Park  
Knowsley  
Merseyside  
L34 9HX

**Tratos Limited**

Registered office:

Nature of business: Sales agency

	%
Class of shares:	holding
Ordinary	100.00

	<b>31.12.19</b>	31.12.18
	£	£
Aggregate capital and reserves	<b>1,719</b>	3,868
(Loss)/profit for the year	<u><b>(2,144)</b></u>	<u>1,772</u>

The registered office of the subsidiary is:

Randles Road  
Knowsley Business Park  
Knowsley  
Merseyside  
L34 9HX

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2019

12. **STOCKS**

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Stock of finished goods	8,085,337	6,632,257	8,085,337	6,632,257
Work-in-progress	299,793	217,597	299,793	217,597
	<u>8,385,130</u>	<u>6,849,854</u>	<u>8,385,130</u>	<u>6,849,854</u>

The total carrying amount of stock is pledged as security.

13. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Trade debtors	1,901,898	4,309,722	1,901,898	4,309,722
Amounts owed by group undertakings	-	6,698	174,309	142,415
Other debtors	29,415	1,747	-	-
Tax	176,916	-	176,916	-
Prepayments and accrued income	242,934	172,826	225,746	155,637
	<u>2,351,163</u>	<u>4,490,993</u>	<u>2,478,869</u>	<u>4,607,774</u>

14. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Bank loans and overdrafts (see note 16)	3,091,835	980,767	3,091,835	1,010,104
Trade creditors	269,001	385,525	266,695	383,209
Amounts owed to group undertakings	8,969,396	9,453,204	8,969,396	9,453,203
Social security and other taxes	56,824	56,521	38,837	35,083
VAT	223,008	341,039	223,008	341,039
Accrued expenses	214,362	201,684	210,935	196,756
	<u>12,824,426</u>	<u>11,418,740</u>	<u>12,800,706</u>	<u>11,419,394</u>

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

	<b>Group</b>		<b>Company</b>	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Bank loans (see note 16)	3,486,409	3,932,470	3,486,409	3,932,470
Amounts owed to group undertakings	8,895,806	8,705,809	8,895,806	8,705,809
	<u>12,382,215</u>	<u>12,638,279</u>	<u>12,382,215</u>	<u>12,638,279</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued  
for the year ended 31 December 2019

16. LOANS

An analysis of the maturity of loans is given below:

	Group		Company	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Amounts falling due within one year or on demand:				
Bank overdrafts	2,645,774	539,439	2,645,774	568,776
Bank loans	446,061	441,328	446,061	441,328
	<u>3,091,835</u>	<u>980,767</u>	<u>3,091,835</u>	<u>1,010,104</u>
Amounts falling due between one and two years:				
Bank loans	<u>450,794</u>	<u>446,061</u>	<u>450,794</u>	<u>446,061</u>
Amounts falling due between two and five years:				
Bank loans	<u>1,100,615</u>	<u>1,264,742</u>	<u>1,100,615</u>	<u>1,264,742</u>
Amounts falling due in more than five years:				
Repayable by instalments				
Bank loans	<u>1,935,000</u>	<u>2,221,667</u>	<u>1,935,000</u>	<u>2,221,667</u>

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

The group has taken out a commercial mortgage in the year with Lloyds bank for £1 million repayable over 6 years. Interest applied to this loan is at a fixed rate of 8.15% over the duration. The loan is secured against specified plant owned by the company

17. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

Group

	Non-cancellable operating leases	
	31.12.19	31.12.18
	£	£
Within one year	7,184	7,184
Between one and five years	<u>31,197</u>	<u>38,382</u>
	<u>38,381</u>	<u>45,566</u>

Company

	Non-cancellable operating leases	
	31.12.19	31.12.18
	£	£
Within one year	7,184	7,184
Between one and five years	<u>31,197</u>	<u>38,382</u>
	<u>38,381</u>	<u>45,566</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2019

18. **SECURED DEBTS**

The following secured debts are included within creditors:

	Group		Company	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Bank overdraft	2,645,774	539,439	2,645,774	568,776
Bank loans	3,932,470	4,373,798	3,932,470	4,373,798
	<u>6,578,244</u>	<u>4,913,237</u>	<u>6,578,244</u>	<u>4,942,574</u>

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

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

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

19. **PROVISIONS FOR LIABILITIES**

	Group		Company	
	31.12.19	31.12.18	31.12.19	31.12.18
	£	£	£	£
Deferred tax				
Accelerated capital allowances	<u>484,554</u>	<u>527,674</u>	<u>484,554</u>	<u>526,314</u>

**Group**

	Deferred tax
	£
Balance at 1 January 2019	527,674
Provided during year	(43,120)
Balance at 31 December 2019	<u>484,554</u>

**Company**

	Deferred tax
	£
Balance at 1 January 2019	526,314
Credit to Income Statement during year	(41,760)
Balance at 31 December 2019	<u>484,554</u>

20. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	31.12.19	31.12.18
			£	£
1,500,080	Ordinary A	£1	1,500,080	1,500,080
32	Ordinary B	£1	-	-
2,500,000	Ordinary C	£1	<u>2,500,000</u>	<u>2,500,000</u>
			<u>4,000,080</u>	<u>4,000,080</u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued**  
for the year ended 31 December 2019

21. **RESERVES**

**Group**

	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Totals £</b>
At 1 January 2019	1,194,107	32	1,194,139
Deficit for the year	(586,615)		(586,615)
At 31 December 2019	<u>607,492</u>	<u>32</u>	<u>607,524</u>

**Company**

	<b>Retained earnings £</b>	<b>Capital redemption reserve £</b>	<b>Totals £</b>
At 1 January 2019	1,190,499	32	1,190,531
Deficit for the year	(584,471)		(584,471)
At 31 December 2019	<u>606,028</u>	<u>32</u>	<u>606,060</u>

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

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

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

22. **ULTIMATE PARENT COMPANY**

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

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

23. **RELATED PARTY DISCLOSURES**

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

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

**Entities with control, joint control or significant influence over the entity**

	<b>31.12.19 £</b>	<b>31.12.18 £</b>
Sales	1,102,046	1,544,324
Purchases and direct costs	1,424,756	15,971,493
Machinery	90,761	550,332
Amount due to related party	<u>17,865,201</u>	<u>18,159,012</u>

24. **ULTIMATE CONTROLLING PARTY**

The controlling party is Dr A Bragagni.

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