

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

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FOR THE YEAR ENDED 31 DECEMBER 2019**

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BRUNO GENERATORS UK LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

DIRECTORS:

R Bruno
H Wagner

REGISTERED OFFICE:

30/34 North Street
Hailsham
East Sussex
BN27 1DW

REGISTERED NUMBER:

08337068 (England and Wales)

AUDITORS:

Watson Associates (Audit Services) Ltd
Statutory Auditor
30 - 34 North Street
Hailsham
East Sussex
BN27 1DW

**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.

REVIEW OF BUSINESS

The principal activity of the group in the year continued to be that of the supply and maintenance of electrical generating equipment.

The year ended 31 December 2019 has seen another significant rise in activities for the Group. Revenues have increased by 26.8% to £16.7 million (2018: £13.2 million). The gross profit margin has fallen to 10.0% (2018: 12.4%). The Group continues to trade profitably in competitive market conditions and has maintained its strong trading position by further development of existing customer relationships and contracts. The Group has continued to develop market leading products in line with upcoming regulatory changes which will assist the business in maintaining market share.

PRINCIPAL RISKS AND UNCERTAINTIES

With the increased level of trading the cashflow requirements of the Group have continued to increase due to the slow debtor recovery rate, which is standard for the industry. The Group can also rely on the support of other Group members to assist with this cashflow burden with the vast majority of the year end trade creditors relating to intergroup balances. This support is considered adequate to deal with any potential cashflow risk.

The other main risk the Group faces is the impact of any fluctuations in the Euro exchange rates as the vast majority of Group purchases are made from Italy. However, this risk is not considered to be significant as the purchases made from Italy are from other Bruno Group members.

The Group has continued trading well after the year end but then saw a reduction in operations as a result of the global COVID-19 pandemic.

Due to the uncertainties surrounding the COVID-19 pandemic, the Directors have taken many internal actions and have sought assistance utilising the Government measures to mitigate the impact on the business and ensure the ongoing liquidity of the business.

FURTHER BUSINESS REVIEW AND RISKS

In March 2020, the Group saw a reduction in operations as a result of the global COVID-19 pandemic. This has had a significant impact on the Group's turnover and profitability.

The Directors have considered the potential implications of COVID-19 and have taken the following actions to mitigate the principle risks and uncertainties listed above. All measures taken by the Group have taken into account the effect of the extent and duration of social distancing measures announced by the government in March 2020 and as revised in April 2020, as well as the impact on the economy and asset prices generally:

- Utilised the government's job retention scheme
- Deferral of VAT payments in accordance with government guidelines

Further measures are being reviewed on an ongoing basis.

The liquidity of the Group remains stable and additional financing measures are not considered necessary at this time. The balance sheet remains strong as the value of stock hasn't be affected. The above measures will maintain this position to ensure that the company remains solvent and can continue to trade as a going concern.

ON BEHALF OF THE BOARD:

H Wagner - Director

18 September 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 ACTIVITY

The principal activity of the group in the year under review was that of a holding company.

DIVIDENDS

The total distribution of dividends for the year ended 31 December 2019 will be £1,280,000 (2018: £320,000).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTORS

The directors shown below have held office during the whole of the period from 1 January 2019 to the date of this report.

R Bruno
H Wagner

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), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve 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 auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the group's auditors are aware of that information.

BRUNO GENERATORS UK LIMITED (REGISTERED NUMBER: 08337068)

**REPORT OF THE DIRECTORS
FOR THE YEAR ENDED 31 DECEMBER 2019**

AUDITORS

The auditors, Watson Associates (Audit Services) Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

H Wagner - Director

18 September 2020

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRUNO GENERATORS UK LIMITED

Opinion

We have audited the financial statements of Bruno Generators 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 our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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 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 our Report of the Auditors thereon.

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF BRUNO GENERATORS UK LIMITED

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

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

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

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Auditors.

Use of our report

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

Geoffrey David Slater (Senior Statutory Auditor)
for and on behalf of Watson Associates (Audit Services) Ltd
Statutory Auditor
30 - 34 North Street
Hailsham
East Sussex
BN27 1DW

18 September 2020

**CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
TURNOVER		16,747,078	13,212,057
Cost of sales		<u>(15,057,393)</u>	<u>(11,577,355)</u>
GROSS PROFIT		1,689,685	1,634,702
Administrative expenses		<u>(1,132,320)</u>	<u>(1,336,933)</u>
		557,365	297,769
Other operating income		<u>-</u>	<u>20,380</u>
OPERATING PROFIT	4	557,365	318,149
Interest receivable and similar income		<u>1,102</u>	<u>802</u>
		558,467	318,951
Interest payable and similar expenses	5	<u>(641)</u>	<u>(3,769)</u>
PROFIT BEFORE TAXATION		557,826	315,182
Tax on profit	6	<u>(146,523)</u>	<u>(100,945)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>411,303</u>	<u>214,237</u>
Profit attributable to:			
Owners of the parent		291,817	131,986
Non-controlling interests		<u>119,486</u>	<u>82,251</u>
		<u>411,303</u>	<u>214,237</u>

**CONSOLIDATED OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
PROFIT FOR THE YEAR		411,303	214,237
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>411,303</u>	<u>214,237</u>
Total comprehensive income attributable to:			
Owners of the parent		291,817	131,986
Non-controlling interests		<u>119,486</u>	<u>82,251</u>
		<u>411,303</u>	<u>214,237</u>

CONSOLIDATED BALANCE SHEET
31 DECEMBER 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	1,106,537	1,293,216
Tangible assets	10	114,717	134,749
Investments	11	-	-
		<u>1,221,254</u>	<u>1,427,965</u>
CURRENT ASSETS			
Stocks	12	7,515,067	4,679,329
Debtors	13	4,216,110	2,745,837
Cash at bank and in hand		298,264	1,114,637
		<u>12,029,441</u>	<u>8,539,803</u>
CREDITORS			
Amounts falling due within one year	14	<u>(8,112,050)</u>	<u>(3,779,738)</u>
NET CURRENT ASSETS		<u>3,917,391</u>	<u>4,760,065</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		5,138,645	6,188,030
CREDITORS			
Amounts falling due after more than one year	15	(2,800,000)	(2,800,000)
PROVISIONS FOR LIABILITIES	16	<u>(2,062)</u>	<u>(1,260)</u>
NET ASSETS		<u>2,336,583</u>	<u>3,386,770</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,000	1,000
Retained earnings	18	1,828,713	2,816,896
SHAREHOLDERS' FUNDS		<u>1,829,713</u>	<u>2,817,896</u>
NON-CONTROLLING INTERESTS	19	<u>506,870</u>	<u>568,874</u>
TOTAL EQUITY		<u>2,336,583</u>	<u>3,386,770</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 September 2020 and were signed on its behalf by:

H Wagner - Director

COMPANY BALANCE SHEET
31 DECEMBER 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Intangible assets	9	-	-
Tangible assets	10	-	-
Investments	11	800	800
		<u>800</u>	<u>800</u>
CURRENT ASSETS			
Debtors	13	3,516,700	3,516,700
Cash at bank		10,900	14,226
		<u>3,527,600</u>	<u>3,530,926</u>
CREDITORS			
Amounts falling due within one year	14	(3,780)	(2,660)
NET CURRENT ASSETS		<u>3,523,820</u>	<u>3,528,266</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		3,524,620	3,529,066
CREDITORS			
Amounts falling due after more than one year	15	(2,800,000)	(2,800,000)
NET ASSETS		<u>724,620</u>	<u>729,066</u>
CAPITAL AND RESERVES			
Called up share capital	17	1,000	1,000
Retained earnings	18	723,620	728,066
SHAREHOLDERS' FUNDS		<u>724,620</u>	<u>729,066</u>
Company's profit for the financial year		<u>1,275,554</u>	<u>316,663</u>

The financial statements were approved by the Board of Directors and authorised for issue on 18 September 2020 and were signed on its behalf by:

H Wagner - Director

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Retained earnings £	Total £	Non-controlling interests £	Total equity £
Balance at 1 January 2018	1,000	3,004,910	3,005,910	513,163	3,519,073
Changes in equity					
Dividends	-	(320,000)	(320,000)	(26,540)	(346,540)
Total comprehensive income	-	131,986	131,986	82,251	214,237
Balance at 31 December 2018	<u>1,000</u>	<u>2,816,896</u>	<u>2,817,896</u>	<u>568,874</u>	<u>3,386,770</u>
Changes in equity					
Dividends	-	(1,280,000)	(1,280,000)	(181,490)	(1,461,490)
Total comprehensive income	-	291,817	291,817	119,486	411,303
Balance at 31 December 2019	<u>1,000</u>	<u>1,828,713</u>	<u>1,829,713</u>	<u>506,870</u>	<u>2,336,583</u>

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Called up share capital £	Retained earnings £	Total equity £
Balance at 1 January 2018	1,000	731,403	732,403
Changes in equity			
Dividends	-	(320,000)	(320,000)
Total comprehensive income	-	316,663	316,663
Balance at 31 December 2018	<u>1,000</u>	<u>728,066</u>	<u>729,066</u>
Changes in equity			
Dividends	-	(1,280,000)	(1,280,000)
Total comprehensive income	-	1,275,554	1,275,554
Balance at 31 December 2019	<u>1,000</u>	<u>723,620</u>	<u>724,620</u>

**CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	784,788	1,019,514
Interest paid		(641)	(3,769)
Tax paid		(91,102)	(193,300)
Net cash from operating activities		<u>693,045</u>	<u>822,445</u>
Cash flows from investing activities			
Purchase of tangible fixed assets		(49,530)	(48,471)
Sale of tangible fixed assets		500	-
Interest received		1,102	802
Net cash from investing activities		<u>(47,928)</u>	<u>(47,669)</u>
Cash flows from financing activities			
Equity dividends paid		(1,280,000)	(320,000)
Dividends paid to minority interests		(181,490)	(26,540)
Net cash from financing activities		<u>(1,461,490)</u>	<u>(346,540)</u>
(Decrease)/increase in cash and cash equivalents		<u>(816,373)</u>	<u>428,236</u>
Cash and cash equivalents at beginning of year	2	1,114,637	686,401
Cash and cash equivalents at end of year	2	<u>298,264</u>	<u>1,114,637</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 PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2019 £	2018 £
Profit before taxation	557,826	315,182
Depreciation charges	248,435	250,585
Loss on disposal of fixed assets	7,306	-
Finance costs	641	3,769
Finance income	(1,102)	(802)
	<u>813,106</u>	<u>568,734</u>
Increase in stocks	(2,835,738)	(1,585,222)
(Increase)/decrease in trade and other debtors	(1,477,163)	26,061
Increase in trade and other creditors	<u>4,284,583</u>	<u>2,009,941</u>
Cash generated from operations	<u><u>784,788</u></u>	<u><u>1,019,514</u></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	<u>298,264</u>	<u>1,114,637</u>

Year ended 31 December 2018

	31.12.18 £	1.1.18 £
Cash and cash equivalents	<u>1,114,637</u>	<u>686,401</u>

3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.1.19 £	Cash flow £	At 31.12.19 £
Net cash			
Cash at bank and in hand	<u>1,114,637</u>	<u>(816,373)</u>	<u>298,264</u>
	<u>1,114,637</u>	<u>(816,373)</u>	<u>298,264</u>
Total	<u><u>1,114,637</u></u>	<u><u>(816,373)</u></u>	<u><u>298,264</u></u>

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. STATUTORY INFORMATION

Bruno Generators 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.

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.

Critical accounting judgements and key sources of estimation uncertainty

No significant judgements have had to be made by management in preparing these financial statements.

The Company had made assumptions concerning the future. The resulting assumptions will, by definition, seldom equal the related actual results. The assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items. The directors believe the impact of COVID-19 will not affect the value of stock.

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 0, is being amortised evenly over its estimated useful life of nil years.

Intangible assets

Intangible assets are initially measured at cost. After initial recognition, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Tangible fixed assets

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

Plant and machinery	- 20% on cost
Fixtures and fittings	- 20% on cost
Motor vehicles	- 25% on cost and 20% on cost
Computer equipment	- 25% on cost and 20% on cost

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019
2. ACCOUNTING POLICIES - continued
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.

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.

3. EMPLOYEES AND DIRECTORS

	2019 £	2018 £
Wages and salaries	657,507	605,885
Social security costs	65,160	57,675
Other pension costs	198,680	85,639
	<u>921,347</u>	<u>749,199</u>

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

2019	2018
<u>21</u>	<u>22</u>

The average number of employees by undertakings that were proportionately consolidated during the year was 21 (2018 - 22) .

	2019 £	2018 £
Directors' remuneration	46,472	46,472
Directors' pension contributions to money purchase schemes	<u>178,109</u>	<u>72,699</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

4. OPERATING PROFIT

The operating profit is stated after charging:

	2019 £	2018 £
Depreciation - owned assets	61,756	63,214
Loss on disposal of fixed assets	7,306	-
Goodwill amortisation	186,679	187,370
Auditors' remuneration	24,470	26,880
Foreign exchange differences	<u>14,644</u>	<u>4,281</u>

5. INTEREST PAYABLE AND SIMILAR EXPENSES

	2019 £	2018 £
Exchange differences	<u>641</u>	<u>3,769</u>

6. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2019 £	2018 £
Current tax:		
UK corporation tax	144,526	100,554
Tax prior year adjustment	<u>1,195</u>	<u>1,068</u>
Total current tax	145,721	101,622
Deferred tax	<u>802</u>	<u>(677)</u>
Tax on profit	<u>146,523</u>	<u>100,945</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. DIVIDENDS

	2019 £	2018 £
Ordinary 'A' shares of £1.00 each		
Interim	<u>1,280,000</u>	<u>320,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

9. INTANGIBLE FIXED ASSETS

Group

Goodwill
£**COST**At 1 January 2019
and 31 December 20191,870,247**AMORTISATION**At 1 January 2019
Amortisation for year
At 31 December 2019

577,031

186,679763,710**NET BOOK VALUE**At 31 December 2019
At 31 December 20181,106,5371,293,216

10. TANGIBLE FIXED ASSETS

Group

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Computer equipment £	Totals £
COST					
At 1 January 2019	387,434	14,126	215,599	55,479	672,638
Additions	26,130	-	23,400	-	49,530
Disposals	-	-	(62,528)	-	(62,528)
At 31 December 2019	<u>413,564</u>	<u>14,126</u>	<u>176,471</u>	<u>55,479</u>	<u>659,640</u>
DEPRECIATION					
At 1 January 2019	310,340	14,126	172,201	41,222	537,889
Charge for year	37,225	-	19,414	5,117	61,756
Eliminated on disposal	-	-	(54,722)	-	(54,722)
At 31 December 2019	<u>347,565</u>	<u>14,126</u>	<u>136,893</u>	<u>46,339</u>	<u>544,923</u>
NET BOOK VALUE					
At 31 December 2019	<u>65,999</u>	<u>-</u>	<u>39,578</u>	<u>9,140</u>	<u>114,717</u>
At 31 December 2018	<u>77,094</u>	<u>-</u>	<u>43,398</u>	<u>14,257</u>	<u>134,749</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

11. FIXED ASSET INVESTMENTS

Company

Shares in
group
undertakings
£**COST**At 1 January 2019
and 31 December 2019800**NET BOOK VALUE**

At 31 December 2019

800

At 31 December 2018

800

12. STOCKS

Group

	2019 £	2018 £
Stocks	7,268,067	4,662,329
Work-in-progress	247,000	17,000
	<u>7,515,067</u>	<u>4,679,329</u>

13. DEBTORS

Group

Company

	2019 £	2018 £	2019 £	2018 £
Amounts falling due within one year:				
Trade debtors	4,044,765	2,190,253	-	-
Amounts owed by group undertakings	-	6,890	-	-
Other debtors	58,806	356,491	-	-
No description	37,649	121,016	-	-
Prepayments	74,890	71,187	-	-
	<u>4,216,110</u>	<u>2,745,837</u>	<u>-</u>	<u>-</u>
Amounts falling due after more than one year:				
Amounts owed by group undertakings	<u>-</u>	<u>-</u>	<u>3,516,700</u>	<u>3,516,700</u>
Aggregate amounts	<u>4,216,110</u>	<u>2,745,837</u>	<u>3,516,700</u>	<u>3,516,700</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Trade creditors	7,297,948	2,301,794	-	-
Amounts owed to group undertakings	-	6,890	3,780	2,660
Tax	(37,059)	(91,678)	-	-
Social security and other taxes	16,248	29,551	-	-
VAT	122,051	357,910	-	-
Other creditors	410,223	442,866	-	-
No description	270,356	704,715	-	-
Accrued expenses	32,283	27,690	-	-
	<u>8,112,050</u>	<u>3,779,738</u>	<u>3,780</u>	<u>2,660</u>

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

	Group		Company	
	2019	2018	2019	2018
	£	£	£	£
Amounts owed to group undertakings	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>	<u>2,800,000</u>

16. PROVISIONS FOR LIABILITIES

	Group	
	2019	2018
	£	£
Deferred tax	<u>2,062</u>	<u>1,260</u>
Group		
		Deferred tax
		£
Balance at 1 January 2019		1,260
Provided during year		802
Balance at 31 December 2019		<u>2,062</u>

17. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			Group	
Number:	Class:	Nominal value:	2019	2018
			£	£
1,000	Ordinary 'A'	£1.00	<u>1,000</u>	<u>1,000</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019

18. RESERVES

Group

	Retained earnings £
At 1 January 2019	2,816,896
Profit for the year	291,817
Dividends	(1,280,000)
At 31 December 2019	<u>1,828,713</u>

Company

	Retained earnings £
At 1 January 2019	728,066
Profit for the year	1,275,554
Dividends	(1,280,000)
At 31 December 2019	<u>723,620</u>

19. NON-CONTROLLING INTERESTS

Chris Archer holds 20% of the issued share capital of Bruno Power Limited and its subsidiaries.

20. RELATED PARTY DISCLOSURES

At the balance sheet date £3,516,700 (2018: £3,516,700) was owed by Bruno Power Limited a subsidiary of the company.

At the balance sheet date £3,780 (2018: £2,660) was owed to BGG UK Limited a company under common control.

At the balance sheet date £2,800,000 (2018: £2,800,000) was owed to Bruno SRL a company under common control.

21. POST BALANCE SHEET EVENTS

Overall risk to operations

Since the balance sheet date, the spread of COVID-19 has severely impacted many local economies around the globe.

In many countries, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. The UK Government have responded with monetary and fiscal interventions to stabilise economic conditions. The Group and Company has continued trading well after the year end but then saw a reduction in operations as a result of the global COVID-19 pandemic. The entity is unlikely to be materially affected due to its liquidity and the support of the Bruno group.

The Company and Group has determined that these events are non-adjusting subsequent events. Accordingly, the financial position and results of operations as of and for the year ended 31 December 2019 have not been adjusted to reflect their impact.

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2019**

22. ULTIMATE CONTROLLING PARTY

The directors consider the ultimate parent company and ultimate controlling party of Bruno Generators UK Limited to be Bruno Generators Group S.P.A, a company based in Italy.

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.