

Company Registration No. 04340885 (England and Wales)

BREMSEN TECHNIK (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2020

FRIDAY



SA6XADFV

SCT

18/06/2021

#34

COMPANIES HOUSE

BREMSEN TECHNIK (UK) LIMITED

COMPANY INFORMATION

Directors	B R Hall A Preston
Company number	04340885
Registered office	Bremesen Technik House Station Road Brompton on Swale Richmond DL10 7SN
Auditor	RSM UK Audit LLP Chartered Accountants 1 St. James' Gate Newcastle upon Tyne United Kingdom NE1 4AD

BREMSEN TECHNIK (UK) LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 JANUARY 2020

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

Review of business

Net sales maintained at a similar level to 2019 at £13.6m in comparison to £13.8m in 2019 – this followed a significant increase in turnover from 2018 to 2019 of £1m following organic growth of existing contracts.

Purchasing conditions remained a challenge due to continued instability of global exchange rates, coupled with uncertainty around Brexit throughout the period. Cash generation in the period remained relatively stable during the year. Our European footprint, which expanded during 2020 through the wider group's acquisition of a French company operating in the same market as Bremsen, has allowed for the continued development and creation of new European opportunities which we expect to increase further over the coming years.

The investment in ancillary operations has continued throughout the year and we are now in a position to capitalise on the infrastructure put in place. We continued significant investments in modernising the company's IT systems and reporting tools. After the year end the company moved head office to new premises which has further improved infrastructure.

Key performance indicators

The directors monitor performance using a number of financial and non-financial indicators. The key metrics used to review performance on an ongoing basis are turnover, gross margin and earnings before interest, depreciation, taxation, and amortisation (EBITDA).

The KPI's are as follows:

	2020	2019	Movement
Turnover (£m)	13.62m	13.82m	(1.45%)
Gross margin (%)	28.82%	24.62%	4.20%
EBITDA (£)	1.26m	1.00m	26%

The directors are satisfied with the performance of the company for the year to 31 January 2020.

Principal risks and uncertainties

Brexit and foreign exchange

Whilst Brexit and the way on which the UK trades with Europe remains an uncertainty, we continue to put measures in place to minimise any detrimental impact it may cause. We monitor global exchange rates on a daily basis and naturally hedge our transactions where possible.

Going concern

The group's directors have prepared trading and cash flow forecasts, for the wider group, which indicate that the group's existing funding facilities are adequate to allow the company to meet its liabilities as they fall due, with agreement and support of some suppliers and the wider group which also includes companies controlled by B R Hall the ultimate controlling party.

The bank facilities have been extended to 22 June 2022, and received approval from the banks credit team. Whilst the group is waiting for the formal offer letter from the bank, they have received assurances that there are no circumstances that could knowingly occur that would rescind that offer. On this basis, the directors do not consider that this is a material uncertainty and consider that the company has adequate facilities to be in operational existence for at least 12 months from the sign off, of these financial statements.

BREMSEN TECHNIK (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

Events after the reporting date

After the year end the Covid-19 pandemic affected businesses around the world and the UK entered a number of lockdowns spanning 2020 and early 2021. This has had an impact on the trading performance of the company however the directors have concluded that the company remains a going concern, with further detail being given elsewhere in this strategic report and in note 1 to the financial statements.

On behalf of the board



B R Hall
Director

Date: 17th June 2021

BREMSEN TECHNIK (UK) LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 JANUARY 2020

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

Principal activities

The principal activity of the company is that of wholesale trade of motor vehicle parts and accessories.

Directors

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

R J Anderson (Resigned 30 September 2020)

B R Hall

A Preston (Appointed 13 November 2020)

Results and dividends

The results for the year are set out on page 7.

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Qualifying third party indemnity provisions

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

Auditor

RSM UK Audit LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Matters of strategic importance

The company has chosen in accordance with Companies Act 2006, s. 414C(11) to set out in the company's strategic report information required by Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008, Sch. 7 to be contained in the directors' report. It has done so in respect of principal risks and uncertainties.

Statement of disclosure to auditor

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

On behalf of the board



B R Hall
Director

Date: 17th June 2021

BREMSEN TECHNIK (UK) LIMITED

DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JANUARY 2020

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BREMSEN TECHNIK (UK) LIMITED

Opinion

We have audited the financial statements of Bremsen Technik (UK) Limited (the 'company') for the year ended 31 January 2020 which comprise the statement of comprehensive income, the statement of financial position, the statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 January 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BREMSSEN TECHNIK (UK) LIMITED (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and the directors' report.

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, 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.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Claire Leece

Claire Leece (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
1 St. James' Gate
Newcastle upon Tyne
United Kingdom, NE1 4AD

18 June 2021

BREMSEN TECHNIK (UK) LIMITED

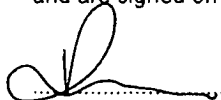
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	2020 £	2019 £
Turnover	3	13,620,516	13,819,824
Cost of sales		(9,693,901)	(10,418,014)
Gross profit		3,926,615	3,401,810
Distribution costs		(90,002)	(88,389)
Administrative expenses		(3,614,215)	(3,146,424)
Other operating income		993,894	787,462
Operating profit	6	1,216,292	954,459
Interest receivable and similar income	7	3,291	878
Interest payable and similar expenses	8	(59,483)	-
Profit before taxation		1,160,100	955,337
Tax on profit	9	(97,555)	(186,872)
Profit for the financial year		1,062,545	768,465

BREMSEN TECHNIK (UK) LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2020**

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	12		86,880		75,895
Investments	13		102		102
			<u>86,982</u>		<u>75,997</u>
Current assets					
Stocks	15	3,280,079		4,152,860	
Debtors	16	9,086,000		8,360,008	
Cash at bank and in hand		268,092		976,441	
		<u>12,634,171</u>		<u>13,489,309</u>	
Creditors: amounts falling due within one year	17	(7,027,477)		(8,941,639)	
Net current assets			<u>5,606,694</u>		<u>4,547,670</u>
Total assets less current liabilities			<u>5,693,676</u>		<u>4,623,667</u>
Creditors: amounts falling due after more than one year	18		(35,924)		(18,642)
Provisions for liabilities	20		(4,602)		(14,420)
Net assets			<u>5,653,150</u>		<u>4,590,605</u>
Capital and reserves					
Called up share capital	23		102		102
Profit and loss reserves	24		5,653,048		4,590,503
Total equity			<u>5,653,150</u>		<u>4,590,605</u>

The financial statements were approved by the board of directors and authorised for issue on 17 June 2021 and are signed on its behalf by:



B R Hall
Director

BREMSEN TECHNIK (UK) LIMITED

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 JANUARY 2020

	Notes	Share capital £	Profit and loss reserves £	Total £
Balance at 1 February 2018		102	4,412,038	4,412,140
Year ended 31 January 2019:				
Profit and total comprehensive income for the year		-	768,465	768,465
Dividends	10	-	(590,000)	(590,000)
Balance at 31 January 2019		102	4,590,503	4,590,605
Year ended 31 January 2020:				
Profit and total comprehensive income for the year		-	1,062,545	1,062,545
Balance at 31 January 2020		102	5,653,048	5,653,150

BREMSEN TECHNIK (UK) LIMITED

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

1 Accounting policies

Company information

Bremesen Technik (UK) Limited (the 'company') is a private company limited by shares and is registered and incorporated in England and Wales. The registered office is Bremesen Technik House, Station Road, Brompton on Swale, Richmond, DL10 7SN.

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

Accounting convention

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

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

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

Reduced disclosures

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 7 'Statement of Cash Flows' – Presentation of a statement of cash flow and related notes and disclosures;
- Section 11 'Basic Financial Instruments' – Carrying amounts, interest income/expense and net gains/losses for each category of financial instrument; basis of determining fair values; details of collateral; and
- Section 33 'Related Party Disclosures' – Compensation for key management personnel.

The financial statements of the company are consolidated in the financial statements of Bremesen Technik Holdings Limited. These consolidated financial statements are available from its registered office, Bremesen Technik House Station Road, Brompton on Swale, Richmond, DL10 7SN.

Group accounts exemption

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

Bremesen Technik (UK) Limited is a wholly owned subsidiary of Bremesen Technik Holdings Limited and the results of Bremesen Technik (UK) Limited are included in the consolidated financial statements of Bremesen Technik Holdings Limited.

Change in accounting policy

The company has adopted the amendments to FRS 102 published in the Triennial Review 2017. This has resulted in no change in accounting policy and no changes in the current or prior year figures presented in the financial statements.

BREMSEN TECHNIK (UK) LIMITED

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

1 Accounting policies (Continued)

Going concern

The company has incurred a profit for the period of £1,062,545 (2019: £768,465). As a result, the company has net assets of £5,653,150 at 31 January 2020 (2019: £4,590,605).

The company had a difficult year to 31 January 2020 and in part into the early part of the next financial year, due to the impact of covid. The company, is part of a wider group, for which the banking facilities and cash of the company are managed on a group basis. The group's directors have reviewed the company's operations, are implementing a group restructure, and forecasting a return to increased profitability due to the lockdown restrictions lifting and sales orders increasing.

The group's directors have prepared trading and cash flow forecasts, for the wider group, which indicate that the group's existing funding facilities are adequate to allow the company to meet its liabilities as they fall due, with agreement and support of some suppliers and the wider group which also includes companies controlled by B R Hall the ultimate controlling party.

The bank facilities have been extended to 22 June 2022, and received approval from the banks credit team. Whilst the group is waiting for the formal offer letter from the bank, they have received assurances that there are no circumstances that could knowingly occur that would rescind that offer. On this basis, the directors do not consider that this is a material uncertainty and consider that the company has adequate facilities to be in operational existence for at least 12 months from the sign off, of these financial statements.

Turnover

Turnover is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on dispatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Intangible fixed assets - goodwill

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

Tangible fixed assets

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

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

Plant and equipment	20% - 33% straight line
Computers	Varying rates on a straight line basis
Motor vehicles	40% reducing balance

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

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2020

1 Accounting policies (Continued)

Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

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

Impairment of fixed assets

At each reporting period end date, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the stocks to their present location and condition.

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

Cash and cash equivalents

Cash and cash equivalents are basic financial instruments and include cash in hand, deposits held at call with banks and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Financial instruments

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

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

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include trade and other debtors, amounts owed to group undertakings and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the financial asset is measured at the present value of the future receipts discounted at a market rate of interest.

Classification of financial liabilities

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

BREMSEN TECHNIK (UK) LIMITED

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

1 Accounting policies (Continued)

Basic financial liabilities

Basic financial liabilities, including trade and other creditors and amounts owed to group undertakings, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest.

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

Equity instruments

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

Taxation

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

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

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

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

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

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

Employee benefits

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

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

Retirement benefits

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

BREMSEN TECHNIK (UK) LIMITED

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

1 Accounting policies (Continued)

Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the statement of financial position as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to profit or loss so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

Foreign exchange

Transactions in currencies other than the functional currency (foreign currency) are initially recorded at the exchange rate prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies are translated at the rate ruling at the date of the transaction, or, if the asset or liability is measured at fair value, the rate when that fair value was determined.

All translation differences are taken to profit or loss, except to the extent that they relate to gains or losses on non-monetary items recognised in other comprehensive income, when the related translation gain or loss is also recognised in other comprehensive income.

2 Judgements and key sources of estimation uncertainty

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

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

The main accounting estimate is in relation to the stock provision.

3 Turnover and other revenue

The company's turnover is derived from the principal activity of the business, being the sale of motor vehicle parts.

	2020	2019
	£	£
Other revenue		
Interest income	3,291	878
	<u> </u>	<u> </u>

BREMSEN TECHNIK (UK) LIMITED

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

3 Turnover and other revenue (Continued)

	2020	2019
	£	£
Turnover analysed by geographical market		
United Kingdom	4,411,680	4,959,367
Europe	8,137,378	7,941,240
Rest of world	1,071,458	919,217
	<u>13,620,516</u>	<u>13,819,824</u>

4 Employees

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

	2020	2019
	Number	Number
Directors	2	2
Sales	4	3
Distribution	4	4
Administration	26	25
	<u>36</u>	<u>34</u>

Their aggregate remuneration comprised:

	2020	2019
	£	£
Wages and salaries	1,429,053	1,614,545
Social security costs	151,837	138,816
Pension costs	47,879	36,947
	<u>1,628,769</u>	<u>1,790,308</u>

5 Directors' remuneration

	2020	2019
	£	£
Remuneration for qualifying services	163,844	130,247
Company pension contributions to defined contribution schemes	5,000	4,843
	<u>168,844</u>	<u>135,090</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 1 (2019 - 1).

BREMSEN TECHNIK (UK) LIMITED

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

6	Operating profit		
	Operating profit for the year is stated after charging/(crediting):	2020	2019
		£	£
	Exchange (gains)/losses	(277,966)	143,454
	Fees payable to the company's auditor for the audit of the company's financial statements	21,508	6,200
	Depreciation of owned tangible fixed assets	32,062	33,508
	Depreciation of tangible fixed assets held under finance leases	13,734	14,991
	(Profit)/loss on disposal of tangible fixed assets	-	291
	Operating lease charges	98,920	57,680
		<u> </u>	<u> </u>
	Exchange differences recognised in profit or loss during the year, except for those arising on financial instruments measured at fair value through profit or loss, amounted to a gain of £277,966 (2019 - a loss of £143,454).		
7	Interest receivable and similar income		
		2020	2019
		£	£
	Interest income		
	Other interest income	3,291	878
		<u> </u>	<u> </u>
8	Interest payable and similar expenses		
		2020	2019
		£	£
	Interest on invoice finance arrangements	59,483	-
		<u> </u>	<u> </u>
9	Taxation		
		2020	2019
		£	£
	Current tax		
	Adjustments in respect of prior periods	-	5,099
	Other taxes	-	184,507
	Total UK current tax	-	189,606
	Foreign current tax on profits for the current period	107,373	-
	Total current tax	107,373	189,606
		<u> </u>	<u> </u>
	Deferred tax		
	Origination and reversal of timing differences	(9,818)	(2,734)
		<u> </u>	<u> </u>
	Total tax charge	97,555	186,872
		<u> </u>	<u> </u>

BREMSEN TECHNIK (UK) LIMITED

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

9 Taxation (Continued)

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

	2020 £	2019 £
Profit before taxation	1,160,100	955,337
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2019: 19.00%)	220,419	181,514
Tax effect of expenses that are not deductible in determining taxable profit	32,010	512
Adjustments in respect of prior years	-	5,099
Group relief	(178,016)	(186,028)
Permanent capital allowances in excess of depreciation	-	2,733
Research and development tax credit	(72,326)	-
Deferred tax adjustments in respect of prior years	-	(2,734)
Adjustments in respect of foreign taxes	95,687	-
Deferred tax rate changes	(219)	-
Pension creditor movement	-	1,269
Payments made to group company for tax losses	-	184,507
Taxation charge for the year	97,555	186,872

10 Dividends

	2020 £	2019 £
Interim paid	-	590,000

11 Intangible fixed assets

	Goodwill £
Cost	
At 1 February 2019 and 31 January 2020	1,678,810
Amortisation and impairment	
At 1 February 2019 and 31 January 2020	1,678,810
Carrying amount	
At 31 January 2020	-
At 31 January 2019	-

BREMSEN TECHNIK (UK) LIMITED

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

12 Tangible fixed assets

	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 February 2019	109,117	178,022	42,675	329,814
Additions	37,546	19,235	-	56,781
At 31 January 2020	146,663	197,257	42,675	386,595
Depreciation and impairment				
At 1 February 2019	70,324	146,704	36,891	253,919
Depreciation charged in the year	15,874	24,138	5,784	45,796
At 31 January 2020	86,198	170,842	42,675	299,715
Carrying amount				
At 31 January 2020	60,465	26,415	-	86,880
At 31 January 2019	38,793	31,318	5,784	75,895

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases:

	2020	2019
	£	£
Plant and equipment	36,987	7,391
Motor vehicles	-	5,784
	36,987	13,175

13 Fixed asset investments

	Notes	2020	2019
		£	£
Investments in subsidiaries	14	102	102

BREMSEN TECHNIK (UK) LIMITED

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

13 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 February 2019 & 31 January 2020	102
Carrying amount	
At 31 January 2020	102
At 31 January 2019	102

14 Subsidiaries

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

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Braking Solutions Limited	1	Dormant	Ordinary	100.00	-

Registered Office address:

1 Bremsen Technik House Station Road, Brompton on Swale, Richmond, DL10 7SN

15 Stocks

	2020 £	2019 £
Finished goods and goods for resale	3,280,079	4,152,860

16 Debtors

	2020 £	2019 £
Amounts falling due within one year:		
Trade debtors	1,446,780	1,911,281
Corporation tax recoverable	34,563	-
Amounts owed by group undertakings	6,020,398	4,169,213
Other debtors	1,397,909	2,137,223
Prepayments and accrued income	186,350	142,291
	<u>9,086,000</u>	<u>8,360,008</u>

BREMSEN TECHNIK (UK) LIMITED

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

17 Creditors: amounts falling due within one year

	Notes	2020 £	2019 £
Obligations under finance leases	19	15,852	9,969
Trade creditors		4,481,239	6,986,127
Corporation tax		-	(7,935)
Other taxation and social security		46,038	46,535
Other creditors		2,087,420	1,603,587
Accruals and deferred income		396,928	303,356
		<u>7,027,477</u>	<u>8,941,639</u>

Obligations under finance leases are secured over the assets in which they relate.

Included within other creditors at the year end date is £1,963,590 (2019: £1,275,769) which relates to an invoice discounting facility. The facility is secured over the trade debtors of the company.

18 Creditors: amounts falling due after more than one year

	Notes	2020 £	2019 £
Obligations under finance leases	19	<u>35,924</u>	<u>18,642</u>

Obligations under finance leases are secured over the assets in which they relate.

19 Finance lease obligations

	2020 £	2019 £
Future minimum lease payments due under finance leases:		
Less than one year	17,821	10,925
Between one and five years	40,086	18,995
	<u>57,907</u>	<u>29,920</u>
Less: future finance charges	(6,131)	(1,309)
	<u>51,776</u>	<u>28,611</u>

Finance lease payments represent rentals payable by the company for certain items of plant and machinery. Leases include purchase options at the end of the lease period, and no restrictions are placed on the use of the assets. The average lease term is 5 years. All leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

BREMSEN TECHNIK (UK) LIMITED

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

20 Provisions for liabilities		2020	2019
	Notes	£	£
Deferred tax liabilities	21	4,602	14,420
		<u> </u>	<u> </u>
21 Deferred taxation			
The major deferred tax liabilities and assets recognised by the company are:			
		Liabilities	Liabilities
		2020	2019
		£	£
Balances:			
Accelerated capital allowances		5,737	14,420
Tax losses		(1,135)	-
		<u> </u>	<u> </u>
		4,602	14,420
		<u> </u>	<u> </u>
Movements in the year:			2020
			£
Liability at 1 February 2019			14,420
Credit to profit or loss			(9,818)
			<u> </u>
Liability at 31 January 2020			4,602
			<u> </u>
22 Retirement benefit schemes		2020	2019
		£	£
Defined contribution schemes			
Charge to profit or loss in respect of defined contribution schemes		47,879	36,947
		<u> </u>	<u> </u>

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

Included within taxation and social security at the year end date is £13,505 (2019: £7,942) which is owed to the company's pension scheme.

BREMSEN TECHNIK (UK) LIMITED

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

23 Share capital

	2020	2019
	£	£
Ordinary share capital		
Issued and fully paid		
100 Ordinary shares of £1 each	100	100
1 Ordinary A shares of £1 each	1	1
1 Ordinary B shares of £1 each	1	1
	<u>102</u>	<u>102</u>

The Ordinary shares each carry the right to one vote at general meetings of the company. Ordinary A and Ordinary B shares are not entitled to vote.

All shares confer the right to dividends as recommended by the directors and the right to capital redemption up to the subscription value of the share on winding up.

24 Reserves

Profit and loss reserves

Cumulative profit and loss net of transactions with owners.

25 Financial commitments, guarantees and contingent liabilities

Banking facilities are secured by fixed and floating charges over the assets of the company.

The company is involved in a litigation for which the outcome is uncertain. Further disclosure on this matter could be prejudicial to the outcome of the litigation.

26 Events after the reporting date

Following the year end, the global impact of Covid-19 has become apparent. The coronavirus pandemic could have an impact on the company's financial performance which is not easy to forecast. The impact could be due to volatility in sales demand, or COVID-19 issues within the workforce or supply chain. Covid-19 is a non-adjusting event, the impact of which cannot be fully quantified.

27 Related party transactions

The following amounts were outstanding at the reporting end date:

	2020	2019
	£	£
Amounts due to related parties		
Other related parties	118,895	357,080
	<u>118,895</u>	<u>357,080</u>
Amounts due from related parties		
Other related parties	1,229,227	3,616,136
	<u>1,229,227</u>	<u>3,616,136</u>

BREMSEN TECHNIK (UK) LIMITED

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

27 Related party transactions (Continued)

The outstanding balances at year end are contained within other debtors or other creditors.

28 Ultimate controlling party

Bremesen Technik Holdings Limited, a company incorporated in England and Wales, is the immediate and ultimate parent company and the smallest and largest group for which consolidated financial statements including Bremesen Technik (UK) Limited are filed. The financial statements of Bremesen Technik Holdings Limited can be obtained from its registered office, Bremesen Technik House Station Road, Brompton on Swale, Richmond, DL10 7SN.

The ultimate controlling party throughout the current and prior year is B R Hall by virtue of his majority shareholding in Bremesen Technik Holdings Limited.