

Company Registration No. 04340885 (England and Wales)

BREMSEN TECHNIK (UK) LIMITED
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 JANUARY 2021



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BREMSEN TECHNIK (UK) LIMITED

COMPANY INFORMATION

Director	B R Hall
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 2021

The director presents the strategic report for the year ended 31 January 2021.

Review of business

The year covered by these accounts included significant challenges for the business in managing the full effect of the global impact of COVID19 restrictions, including furloughing of staff, loss of revenues in the year and significant cost headwinds.

However, we have been resilient, we have emerged stronger and fitter, with the current year showing significant recovery and even growth. In our initial trading period for year ending January 2022, revenues improve by over 50% year on year and the business is returning to a level of profitability we expect to see.

During 2020 we continued our investment in infrastructure, modernising our IT and management information systems, generating enhanced management capability and capacity and building our commercial teams to capitalise on post-COVID19 opportunities.

Net sales decreased in the year to £10.5m in comparison to £13.6m from the prior year, this reduction being entirely COVID19 related.

Towards the end of the year supply chain tightened with a significant reduction in shipping availability (COVID19 related) coupled with equally significant cost increases for the containers which were available, this has continued into the current year. The business has mitigated the position by passing on cost increases where possible, however trading in the full year has shown a small operating loss of £126K.

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:

	2021	2020	Movement
Turnover (£m)	10.5m	13.6m	(22.8%)
Gross margin (%)	22.8%	28.7%	(5.9%)
EBITDA (£)	(0.085)m	1.26m	

The directors are satisfied with the performance of the company for the year to 31 January 2021, but are undertaking a review of pricing & margin to ensure competitiveness remains in focus.

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 directors have prepared trading and cash flow forecasts, which indicate that the company's existing funding facilities are adequate to meet its liabilities as they fall due.

BREMSEN TECHNIK (UK) LIMITED

STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

Financial risk management objectives and policies

The company finances its operations through a mixture of retained profits and, where necessary, through bank borrowings. The objectives of management are to:

- Retain sufficient funds to enable the company to meet its day to day obligations as they fall due; and
- Match the repayment schedule of any external borrowings with expected future cash flows expected to arise from the company's trading activities.

All of the company's borrowings are obtained from standard bank loans and invoice discounting facilities. All UK banking arrangements are with HSBC plc.

The company's activities expose it to a variety of financial risks as outlined below:

Credit risk

Credit risk predominately arises from trade debtors. Credit exposure is closely monitored by the company.

Liquidity risk

The company monitors access to credit facilities in comparison to outstanding liabilities on a regular basis.

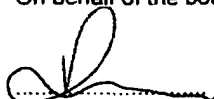
Interest rate risk

The company has interest bearing financial liabilities in the form of bank loans, loan notes and invoice discounting facilities which are fixed to the bank base rate plus margins. The company has no interest-bearing financial assets.

Events after the reporting date

After the year end COVID19 continued to impact on company results, specifically in terms of our supply chain from China. Shipping availability and costs for shipping have both impacted in the current year and we are now focusing on additional pricing changes to recover the additional costs incurred.

On behalf of the board



B R Hall

Director

Date: 7th January 2022

BREMSEN TECHNIK (UK) LIMITED

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 JANUARY 2021

The director presents his annual report and financial statements for the year ended 31 January 2021.

Principal activities

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

Results and dividends

The results for the year are set out on page 8.

No ordinary dividends were paid. The director does not recommend payment of a final dividend.

Director

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

R J Anderson	(Resigned 30 September 2020)
B R Hall	
A Preston	(Appointed 13 November 2020 and resigned 31 May 2021)

Qualifying third party indemnity provisions

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

Auditor

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

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 he ought to have taken as a director in order to make himself 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: 7th January 2022

BREMSEN TECHNIK (UK) LIMITED

DIRECTOR'S RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 JANUARY 2021

The director is responsible for preparing the Strategic Report and the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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. He is 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 2021 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 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 2021 and of its loss 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.

Conditions relating to going concern

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

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

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The director is responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the strategic report and the director's report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the director's report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BREMSEN 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 or the director's report.

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

- adequate accounting records have not been kept, 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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of director

As explained more fully in the director's responsibilities statement set out on page 4, the director is 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 director determines 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 director is responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

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

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

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

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures and inspecting correspondence with local tax authorities.

The audit engagement team identified the risk of management override of controls, valuation of inventory provision and revenue recognition around the year end as the areas where the financial statements were most susceptible to material misstatement due to fraud. For management override of controls the audit procedures performed included but were not limited to testing manual journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions, transactions entered into outside the normal course of business and challenging judgments. For the valuation of inventory provision, we have assessed the adherence to the group inventory provision policy and also assessed the valuation of the inventory was appropriate to the lower of cost and net realisable value. In regard to revenue recognition we have performed testing of transactions around the year end to supporting documentation to ensure appropriate cut off has been applied.

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

Use of our report

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

RSM UK Audit LLP

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
10 January 2022

BREMSEN TECHNIK (UK) LIMITED

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JANUARY 2021

	Notes	2021 £	2020 £
Turnover	3	10,532,797	13,620,516
Cost of sales		(8,132,504)	(9,693,901)
Gross profit		2,400,293	3,926,615
Distribution costs		(95,585)	(90,002)
Administrative expenses		(3,421,351)	(3,614,215)
Other operating income		990,585	993,894
Operating (loss)/profit	6	(126,058)	1,216,292
Interest receivable and similar income	7	-	3,291
Interest payable and similar expenses	8	(49,118)	(59,483)
(Loss)/profit before taxation		(175,176)	1,160,100
Tax on (loss)/profit	9	144,277	(97,555)
(Loss)/profit for the financial year		(30,899)	1,062,545

BREMSEN TECHNIK (UK) LIMITED**STATEMENT OF FINANCIAL POSITION
AS AT 31 JANUARY 2021**

	Notes	2021		2020	
		£	£	£	£
Fixed assets					
Intangible assets	10	-	-	-	-
Tangible assets	11	94,616		86,880	
Investments	12	102		102	
			94,718		86,982
Current assets					
Stocks	14	2,715,398		3,280,079	
Debtors	15	10,533,164		9,086,000	
Cash at bank and in hand		99,977		268,092	
			13,348,539		12,634,171
Creditors: amounts falling due within one year	16	(7,788,877)		(7,027,477)	
Net current assets			5,559,662		5,606,694
Total assets less current liabilities			5,654,380		5,693,676
Creditors: amounts falling due after more than one year	17		(19,428)		(35,924)
Provisions for liabilities	20		(12,701)		(4,602)
Net assets			5,622,251		5,653,150
Capital and reserves					
Called up share capital	23		102		102
Profit and loss reserves	24		5,622,149		5,653,048
Total equity			5,622,251		5,653,150

The financial statements were approved by the board of directors and authorised for issue on 7th January 2022 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 2021

	Share capital	Profit and loss reserves	Total
	£	£	£
Balance at 1 February 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
Year ended 31 January 2021:			
Loss and total comprehensive income for the year	-	(30,899)	(30,899)
Balance at 31 January 2021	102	5,622,149	5,622,251

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 JANUARY 2021

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 Director's 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.

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

1 Accounting policies (Continued)

Going concern

The company has incurred a loss for the period of £30,899 (2020: profit of £1,062,545). As a result, the company has net assets of £5,622,251 at 31 January 2021 (2020: £5,653,150).

The company remained impacted by Covid-19 into the current financial year. 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, have implemented a group restructure, and are forecasting a return to profitability due to the reviews and restructure but also 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 are in place until June 2022. Discussions to date with the bank and the group do not anticipate any reason as to why they will not be renewed at that time.

On this basis, the directors are not aware of any material uncertainties 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 2021

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 2021

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 2021

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 director is 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.

	2021	2020
	£	£
Other revenue		
Interest income	-	3,291
	<u> </u>	<u> </u>

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

3 Turnover and other revenue (Continued)

	2021	2020
	£	£
Turnover analysed by geographical market		
United Kingdom	3,265,167	4,411,680
Europe	6,425,006	8,137,378
Rest of world	842,624	1,071,458
	<u>10,532,797</u>	<u>13,620,516</u>

4 Employees

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

	2021	2020
	Number	Number
Directors	2	2
Sales	4	4
Distribution	4	4
Administration	29	26
Total	<u>39</u>	<u>36</u>

Their aggregate remuneration comprised:

	2021	2020
	£	£
Wages and salaries	1,548,675	1,429,053
Social security costs	150,016	151,837
Pension costs	53,467	47,879
	<u>1,752,158</u>	<u>1,628,769</u>

5 Director's remuneration

	2021	2020
	£	£
Remuneration for qualifying services	128,265	163,844
Company pension contributions to defined contribution schemes	5,691	5,000
	<u>133,956</u>	<u>168,844</u>

The number of directors for whom retirement benefits are accruing under defined contribution schemes amounted to 2 (2020 - 1).

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

6 Operating (loss)/profit	2021	2020
	£	£
Operating (loss)/profit for the year is stated after charging/(crediting):		
Exchange losses/(gains)	136,883	(277,966)
Fees payable to the company's auditor for the audit of the company's financial statements	16,250	21,508
Depreciation of owned tangible fixed assets	30,510	32,062
Depreciation of tangible fixed assets held under finance leases	10,963	13,734
Profit on disposal of tangible fixed assets	(292)	-
Operating lease charges	84,678	98,920
	<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 £136,883 (2020 - £277,966).		
7 Interest receivable and similar income	2021	2020
	£	£
Interest income		
Other interest income	-	3,291
	<u> </u>	<u> </u>
8 Interest payable and similar expenses	2021	2020
	£	£
Interest on invoice finance arrangements	28,134	59,483
Other interest	20,984	-
	<u> </u>	<u> </u>
	49,118	59,483
	<u> </u>	<u> </u>
9 Taxation	2021	2020
	£	£
Current tax		
Adjustments in respect of prior periods	(78,971)	-
Foreign current tax on profits for the current period	117,256	107,373
Adjustments in foreign tax in respect of prior periods	(107,373)	-
	<u> </u>	<u> </u>
Total current tax	(69,088)	107,373
	<u> </u>	<u> </u>
Deferred tax		
Origination and reversal of timing differences	(75,189)	(9,818)
	<u> </u>	<u> </u>
Total tax (credit)/charge	(144,277)	97,555
	<u> </u>	<u> </u>

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

9 Taxation (Continued)

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

	2021 £	2020 £
(Loss)/profit before taxation	(175,176)	1,160,100
Expected tax (credit)/charge based on the standard rate of corporation tax in the UK of 19.00% (2020: 19.00%)	(33,283)	220,419
Tax effect of expenses that are not deductible in determining taxable profit	5,723	32,010
Change in unrecognised deferred tax assets	(27,478)	-
Adjustments in respect of prior years	(186,344)	-
Group relief	-	(178,016)
Permanent capital allowances in excess of depreciation	4,819	-
Research and development tax credit	-	(72,326)
Other permanent differences	(22,279)	-
Adjustments in respect of foreign taxes	117,256	95,687
Deferred tax rate changes	(2,691)	(219)
Taxation (credit)/charge for the year	(144,277)	97,555

10 Intangible fixed assets

	Goodwill £
Cost	
At 1 February 2020 and 31 January 2021	1,678,810
Amortisation and impairment	
At 1 February 2020 and 31 January 2021	1,678,810
Carrying amount	
At 31 January 2021	-
At 31 January 2020	-

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

11 Tangible fixed assets

	Plant and equipment	Computers	Motor vehicles	Total
	£	£	£	£
Cost				
At 1 February 2020	146,663	197,257	42,675	386,595
Additions	-	49,209	-	49,209
Disposals	(7,500)	-	(9,750)	(17,250)
At 31 January 2021	139,163	246,466	32,925	418,554
Depreciation and impairment				
At 1 February 2020	86,198	170,842	42,675	299,715
Depreciation charged in the year	18,963	22,510	-	41,473
Eliminated in respect of disposals	(7,500)	-	(9,750)	(17,250)
At 31 January 2021	97,661	193,352	32,925	323,938
Carrying amount				
At 31 January 2021	41,502	53,114	-	94,616
At 31 January 2020	60,465	26,415	-	86,880

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

	2021	2020
	£	£
Plant and equipment	26,025	36,987

12 Fixed asset investments

	Notes	2021	2020
		£	£
Investments in subsidiaries	13	102	102

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JANUARY 2021

12 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 February 2020 & 31 January 2021	102
Carrying amount	
At 31 January 2021	102
At 31 January 2020	102

13 Subsidiaries

Details of the company's subsidiaries at 31 January 2021 are as follows:

Name of undertaking	Address	Nature of business	Class of shares held	% Held Direct
Braking Solutions Limited	1	Dormant	Ordinary	100.00

Registered office addresses (all UK unless otherwise indicated):

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

14 Stocks

	2021 £	2020 £
Finished goods and goods for resale	2,715,398	3,280,079

15 Debtors

	2021 £	2020 £
Amounts falling due within one year:		
Trade debtors	1,974,860	1,446,780
Corporation tax recoverable	-	34,563
Amounts owed by group undertakings	7,494,478	6,020,398
Other debtors	825,707	1,397,909
Prepayments and accrued income	154,831	186,350
	10,449,876	9,086,000
Deferred tax asset (note 21)	83,288	-
	10,533,164	9,086,000

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

16 Creditors: amounts falling due within one year

	Notes	2021 £	2020 £
Bank loans and overdrafts	18	1,102,733	-
Obligations under finance leases	19	17,105	15,852
Trade creditors		3,591,214	4,481,239
Amounts owed to group undertakings		2,813	-
Taxation and social security		102,396	46,038
Other creditors		2,642,661	2,087,420
Accruals and deferred income		329,955	396,928
		<u>7,788,877</u>	<u>7,027,477</u>

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

Included within other creditors at the year end date is £2,162,455 (2020: £1,963,590) which relates to an invoice discounting facility. The facility is secured over the trade debtors of the company.

17 Creditors: amounts falling due after more than one year

	Notes	2021 £	2020 £
Obligations under finance leases	19	<u>19,428</u>	<u>35,924</u>

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

18 Borrowings

	2021 £	2020 £
Bank loans	423,051	-
Bank overdrafts	679,682	-
	<u>1,102,733</u>	<u>-</u>
Payable within one year	<u>1,102,733</u>	<u>-</u>

The bank loans above are secured by fixed and floating charges over the company's assets. The interest rate applicable to the loan is 2.5% over base rate and the loan falls due within one year.

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

19 Finance lease obligations

	2021	2020
	£	£
Future minimum lease payments due under finance leases:		
Less than one year	17,105	17,821
Between one and five years	21,889	40,086
	<u>38,994</u>	<u>57,907</u>
Less: future finance charges	(2,461)	(6,131)
	<u>36,533</u>	<u>51,776</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.

20 Provisions for liabilities

	Notes	2021	2020
		£	£
Deferred tax liabilities	21	12,701	4,602
		<u>12,701</u>	<u>4,602</u>

21 Deferred taxation

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

	Liabilities 2021	Liabilities 2020	Assets 2021	Assets 2020
	£	£	£	£
Balances:				
Accelerated capital allowances	12,701	5,737	-	-
Tax losses	-	(1,135)	43,890	-
Short term timing difference	-	-	39,398	-
	<u>12,701</u>	<u>4,602</u>	<u>83,288</u>	<u>-</u>

	2021
	£
Movements in the year:	
Liability at 1 February 2020	4,602
Credit to profit or loss	(75,189)
	<u>(70,587)</u>
Asset at 31 January 2021	<u>(70,587)</u>

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

22 Retirement benefit schemes

	2021	2020
Defined contribution schemes	£	£
Charge to profit or loss in respect of defined contribution schemes	53,467	47,879

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 £17,323 (2020: £13,505) which is owed to the company's pension scheme.

23 Share capital

	2021	2020	2021	2020
Ordinary share capital	Number	Number	£	£
Issued and fully paid				
Ordinary shares of £1 each	100	100	100	100
Ordinary A shares of £1 each	1	1	1	1
Ordinary B shares of £1 each	1	1	1	1
	<u>102</u>	<u>102</u>	<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.

BREMSEN TECHNIK (UK) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JANUARY 2021

26 Related party transactions

The following amounts were outstanding at the reporting end date:

	2021	2020
	£	£
Amounts due to related parties		
Other related parties	241,707	118,895
	<u> </u>	<u> </u>
	2021	2020
	£	£
Amounts due from related parties		
Other related parties	710,276	1,229,227
	<u> </u>	<u> </u>

Other information

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

27 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.