

Brigade Electronics Group Plc

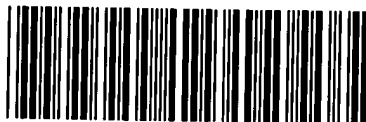
Report and Financial Statements

Year Ended

31 January 2021

Company Number 07107804

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Brigade Electronics Group Plc

Report and financial statements
for the year ended 31 January 2021

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Directors

C P Hanson-Abbott
P J Hanson-Abbott
N P Moody
R E Hutson
M Palmer (appointed 1 May 2020)

Secretary and registered office

M Palmer

Brigade House, The Mills, Station Road, South Darenth, Kent, DA4 9BD

Registered number

07107804

Auditors

BDO LLP, 2 City Place Beehive, Ring Road, Gatwick, West Sussex, RH6 OPA

Bankers

HSBC Bank plc, 90 Baker Street, London, W1U 6AX

Brigade Electronics Group Plc

Strategic report for the year ended 31 January 2021

The directors present their strategic report for the year ended 31 January 2021.

Principal activities

The principal activity of the company and its subsidiary undertakings (the "Group") is the design, development, marketing and distribution of commercial vehicle and mobile machinery safety systems.

The Group's vision is a world in which technology has eliminated vehicle and mobile machinery collisions. To work towards this vision the Group's mission is to use current and emergent technology in the design, development, global marketing and distribution of products that will reduce commercial vehicle and mobile machinery collisions.

The strategy includes both investment in the Group's own research and development ("R&D") and general engineering capabilities and also maintaining and developing partnerships with technology specialists so as to deliver innovative new solutions to safety problems faced by vehicle and mobile machinery operators.

Details of the R&D activities are given in the directors' report.

The directors believe that the Brigade Group will continue to be highly successful financially through commercialisation of its activities in striving to achieve its strategic objectives. This financial success is reinvested in the business, and rewards are shared by the shareholders and the Group's staff. The commitment of staff is crucial, and remuneration packages include team bonus rewards that are based on achievement of both sales and profitability targets.

Section 172(1) Statement of the Companies Act

The directors have acted, both individually and together, in ways they consider, in good faith, promote the success of the company for the benefit of its members as a whole.

In doing so, they have had regard (amongst other matters) to:

1. The likely consequences of any decision in the long term
2. The interests of the Group's employees
3. The need to foster the Group's business relationships with suppliers, customers and others
4. The impact of the company's operations on the community and the environment
5. The desirability of the Group maintaining a reputation for high standards of business conduct
6. The need to act fairly as between members of the Group

The directors balance the short and long term needs and interests of the Group and its members by development of and adherence to a 5 Year Strategic Plan, which is approved by the members. The plan includes a compelling Vision and Mission, underpinned by clear Goals, measurable Objectives and Strategies. Operational plans and tactics are developed in line with these.

The directors recognise that the Group's employees are its greatest asset and take steps to develop a team of high achieving, motivated people that are fully 'engaged' with the business. Engagement comes from a combination of factors, including:

- Clear and open communication with all employees so that they understand both Group Vision, Mission, Goals and Objectives and their role in achieving these.
- Our focus on saving lives. What we do matters!
- Our 'family' culture, caring for our people, helping them to develop, informing and involving them in our plans, and rewarding them fairly for their efforts.

Engagement levels are measured through periodic surveys and the HR team, together with employee focus groups, use the survey outcomes to make proposals for continual improvement.

The need to foster the Group's business relationships with suppliers, customers and others is paramount to our success. We have a well-established track record of building long term mutually beneficial business relationships with suppliers and customers, which we believe is the foundation on which our long-term growth and success have

Brigade Electronics Group Plc

Strategic report for the year ended 31 January 2021 (*continued*)

been built. We focus on delivering exceptional customer value in terms of Product Leadership and Customer Intimacy.

The Group works hard to make a positive impact on the community and the environment. Saving lives is at the core of what we do, added to which the employees select 2 or 3 local charities annually for the Group to support. Our principal manufacturing and assembly plants are all accredited to the environmental standard ISO 14001.

The directors understand that the most valuable thing that the Group owns is its brand – and the values of quality, reliability, service, support, ethical trading and general business conduct that have been built up in over 44 years of trading. High standards of business conduct in these and other areas are essential to the continued growth and success of the Group, so are at the core of all that we do.

As an owner managed business, we benefit from having the shareholders within the business and driving its growth and success. The Group is specifically structured to ensure that the needs of the shareholders are represented through the parent company and the execution of those intentions are carried out through this company as part of successful delivery of the strategic plan.

Having regard to the stakeholders and matters set out in s172(1)(a-f) of the Act in the decisions taken during the year ended 31 January 2021 and by reference to the approval of our five-year strategic plan launched on 1st February 2020:

- Our five-year strategic plan is designed to address the expected consequences of long-term changes within our industry and how we can position the group to maximise the opportunities for the long-term benefit and success of the group.
- At the very heart of our plan is the desire to save lives. By enabling the commercial vehicle and mobile machinery drivers to detect and prevent collisions between vehicles and pedestrians, cyclists, motorcyclists, other vehicles, and inanimate objects. We recognise our need to engage with the transport community, build relationships and trust with transport and plant managers. To be at the forefront of our industry with the right products, solutions, and advice but most importantly the knowledge that we are pioneers in our field.
- We continue to be present on various trade bodies to promote safety and support the introduction of new legislation to help drive change to reduce the number collisions on our roads. This engagement with trade bodies helps us to liaise with our customers and suppliers and ensure we continue to be at the forefront of road safety for commercial vehicles.
- We took the decision within the last financial year to 'discover' our brand, and this meant engaging our external customers. This shows not only that we are willing to be vulnerable as an organisation, exposing ourselves to a certain level of criticism but also that we reflect on these and also on our strengths as a business. This demonstrates our customer centric approach and willingness to continue upon a program of continual improvement for the benefit of our customers.
- This journey of discovery shows our intention to nurture our reputation and reflects our behaviour, as the Board of Directors, to be responsible for the future of the business and ensure the high standards that have propelled our growth in recent years and set us apart in our industry are maintained.
- Our employees are fundamental to the delivery of this plan. Being a responsible employer ensures that our employees recognise the value and importance they have within the organisation. We take a responsible approach towards the roles and responsibilities of each employee and ensure we take a fair approach to the pay and benefits our employees receive. Each employee within the group shares in the financial success of our business. As a safety company we make sure the health, safety and well-being of our employees is one of primary considerations. As an owner managed business, we promote a 'family' culture whereby we aim to support, encourage, and nurture our employees.

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Strategic report for the year ended 31 January 2021 (*continued*)

Streamlined Energy and Carbon Reporting

Environment

Brigade Electronics Group Plc is committed to minimising our environmental impact by reducing both the carbon intensity and the resources that we use through the development and business operations and the product lifecycle. We endeavour to operate in a sustainable manner, achieving our business objectives without compromising the ability of future generations to meet their own needs. A key aspect of sustainability is for all organisations, including our own, not to consume natural resources and produce waste/pollutants at a level that will have a significant future effect on the environment.

In the financial year Brigade Electronic Group Plc and Brigade Electronics UK Limited has achieved certification to ISO14001:2015 Environmental Management. This objective goal has been reached in order take accountability for the environmental impact the business operations have while also widening the awareness amongst all employees. The achievement of becoming certified has also opened Brigade Electronics customer set to include OEM customers whom on majority are requiring the ISO standard to allow for tendering of business.

Brigade Greenhouse Gas Emissions

In accordance with the disclosure requirement for large companies under the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018, the table below shows the Group's greenhouse gas emissions during the financial year:

	Feb 2020 – Jan 2021 Tonnes of CO ₂ equivalent
Combustion of fuel and operation of facilities (scope 1)	5.72
Electricity, heat, steam, and cooling purchased for own use (scope 2)	56.74
Total Scope 1 and 2 emissions	62.46
Intensity metric: tonnes of CO ₂ e per £m of sales	1.21

Risks and uncertainties

Market and credit risk

The Group mitigates risk by spreading its sales across a wide range of product groups, customer groups and geographic regions. It endeavours to make sure that no single product or customer group accounts for more than 30% of profits. It further mitigates risk by tight control of credit limits and periods.

Supply chain and currency risk

The Group mitigates the risk of supply chain disruption by diversifying manufacture over a number of manufacturing sites and countries. Purchases and sales are frequently in different currencies with consequent potential vulnerability to exchange rate fluctuations. However, risk to margin is minimised by some receipts and payments currency overlap, the relatively short timescales between purchase and sales and through price changes. Tax, duty and transfer pricing are subject to change internationally and the risk is minimised by internal and external expertise plus systems able to compensate by rapidly adjusting prices.

Covid -19 Risk

At the date of this report the impact of Covid-19 on the global economy has been severe. Several businesses in different geographical regions have been or are likely to cease or limit their operations. The measures taken by local governments to contain the spread of the virus and close all non-essential businesses has contributed to the economic decline with widespread disruption to many other connected businesses.

The duration and impact of the COVID-19 pandemic on a worldwide scale still remains unclear. The major risk is further spikes in infections which result in a delay of restrictions being lifted impeding any economic recovery. It is not possible to reliably predict with any accuracy whether this will or will not occur nor is it possible to evaluate the impact of COVID-19 on the financial position and results of the Group for future periods.

Brigade Electronics Group Plc

Strategic report for the year ended 31 January 2021 (*continued*)

The Group was not initially immune to this pandemic and results in April 2020 saw sales decline by 50% compared to the prior year. There was a slow recovery in sales as restrictions around the world were lifted but the downturn did have an impact on the results for the financial year ending 31st January 2021. The Group was swift its response to this crisis; all recruitment put on hold, all travel banned, and all planned exhibitions cancelled in order to reduce costs and preserve cash. These financial statements show that despite a slight downturn in turnover compared to the prior year the measures put in place have ensured that we have maintained profitability and generated sufficient cash. We have maintained a similarly cautious approach as we have entered the new financial year and our first quarter results show signs of continued recovery. The directors are confident that the measures put in place will help minimise the financial impact to the business as well as continuing to invest in its people and products so that it emerges from this period of uncertainty well placed to continue working towards its vision.

Review of the business

We started the year with optimism and an ambitious target for continued growth. The year started well with strong sales in February and March, but the onset of Covid-19 and governments restrictions severely impacted on sales in April and May. As an organisation we were able to transition quickly from the office to a home environment without any severe impact on our operations all thanks to an excellent IT infrastructure. There was a slow recovery through to September, but it became apparent by the end of Q3 that achieving a similar sales level as last year was unlikely. This was further compounded by Brexit and the supply chain issues that ensued from January onwards. Despite all these external pressures the directors are pleased to report that Group sales decreased only by 2.5% (2020: Increase of 9%) to £51.7m (2020: £53m), demonstrating the resilience within the industry that the Group operates in, and the continued appreciation of the benefits derived from Group products and customer support. The UK market experienced one of the worst downturns in the group but managed to recover in the latter half of the year due to increasing demand for Direct Vision Standard (DVS) products. Sales though were down by 3% (2020: increase 6%) at the end of the year in comparison to the prior year. Overseas markets suffered the most because of Covid-19 and declined by 18% (2020: increase by 15%). The Group remains focused on developing markets outside the UK which now contribute 71% (2020: 71%) of total sales. Gross margins, at 51% (2020: 51%, 2019: 47%) were healthy, but materially within the range that will, year-on-year, inevitably vary due to factors such as market demand, product mix, territory mix, customer mix and exchange rates. The effects of Covid-19, Brexit, and the political environment generally, has created a slowdown in existing major capital projects, delay in new ones and uncertainty in matters such as logistics and currency exchange. Despite this the Group has seen increasing demand for products related to regulatory change and this remains a key area of focus within the group. The Group continues to pioneer for vehicle safety products and sits on several Trade bodies to create awareness and promote vehicle safety to ensure that fatal collisions are reduced and ultimately eliminated.

Due to the uncertainty created by Covid-19 the Group put the recruitment of staff on hold during the year as part of several measures to protect the group and reduce overheads. Administrative expenses decreased by £761k, a drop of 7.8%, which was achieved because of savings to travel and trade fairs. Due to the lack of trade fairs, marketing resources were concentrated on digital activities to generate leads and create demand. The directors believe that the continued development and expansion of the product range is necessary in a rapidly changing and increasingly technical market and there were no significant cuts to this expenditure. The balance of savings in administrative expenses versus a reduction in gross profit has enabled the group to maintain its value of operating profit thereby increasing the Group's reserves and the Company's balance sheet.

Key performance Indicators ("KPIs")

The Group uses a variety of KPIs, calculated monthly, to monitor the business. These KPIs include sales, margins, debtors, stock, cash and breakeven turnover, which allow identification of weakness and corrective action to be implemented if required.

Financial KPIs

Sales - Sales have decreased by 2.5% over the year. As a result of Covid and the severe impact on our sales in April and May, 50% below prior year, we readjusted our target to £50m. We have made a steady recovery in Sales driven by DVS demand in UK and a significant increase in business within Canada directly related to government pipeline contracts.

Brigade Electronics Group Plc

Strategic report for the year ended 31 January 2021 (continued)

Gross profit margin - The gross profit margin in the year was 51% (2020: 51%). Whilst the Group strives through its strategy and activities to improve efficiency and control the gross margin, some year-on-year variation is inevitable reflecting exchange rate movements, product mix, customer mix and market pressures during each individual year.

Non-Financial KPIs

Product Quality - Brigade has a commitment to quality and warranty return rates are measured and used to identify any areas requiring action to sustain the high quality of Brigade's products.

Customer Satisfaction - Brigade is committed to providing exceptional customer service and records issues and all manner of feedback to provide a measure of customer satisfaction.

Sales of bbs-tek Broadband Sound - bbs-tek Broadband Sound (aka "white sound") alarms are demonstrably safer than old style tonal alarms, so Brigade is committed to increasing sales volumes of these products.

Future developments

New Product Introduction - The Group has a recognised history in its markets of introducing innovative new products that are reliable and can be supported whilst in use. Whilst the complexity and diversity of the product ranges are rapidly increasing, the Group aims to introduce one new technology or product group per year specifically targeted at improving commercial vehicle and mobile machinery safety.

Brexit - The Group continues to review and assess the continued impact to future trading that is resulting from the UK's decision to leave the European Union. Political negotiations are being monitored and various action plans are being explored in the light of how these negotiations are reported as progressing, noting the considerable variation and uncertainty of opinion. The Group's objective is to mitigate risks to the business, whilst also responding in a balanced and considered manner to avoid unnecessarily spending time and money, which otherwise could have been reinvested in other business growth activities.

Coronavirus - There is continued uncertainty regarding the pandemic, at the time of writing this report Brigade has not seen any adverse effects to Sales but the emergence of new variants could well disrupt our recovery. The Group continues to monitor its results but more importantly its working capital during this crisis. Short term trading financial support is being sought through the Group's bankers. Current results show the financial performance and position of the Group is better than expected and the directors remain cautiously optimistic about the future.

This report was approved by the board on 2nd July 2021 and signed on its behalf.



M Palmer
Company Secretary

Brigade Electronics Group Plc

Directors' report for the year ended 31 January 2021

The directors present their report and the financial statements for the year ended 31 January 2021.

Results and dividends

The results for the year are shown on the Consolidated Statement of Comprehensive Income on page 13. Total comprehensive income for the year was £5,417,115 (2020: £5,145,956).

An interim dividend of £ 457,650 (77.33 pence per share) was paid in the year (2020: £1,033,025; 174.57 pence per share).

No Statement of Comprehensive Income is presented for the parent company as permitted by Section 408 of the Companies Act 2006.

Directors

The directors who served during the year and to the date of signing were:

C P Hanson-Abbott – Chairman
P J Hanson-Abbott - Managing Director
T C Brett - Deputy Managing Director (resigned 30 September 2020)
S A Matthews - Engineering Director (resigned 13 April 2021)
N P Moody - Sales Director
R E Hutson - Information Technology Director
J L D Harris - Finance Director (resigned 30 April 2020)
M Palmer - Finance Director (appointed 1 May 2020)

Research and development

The Group is committed to the development of its product range and therefore conducts a continuous programme of product research and development. Expenditure incurred in the year totalled £1,175,464 (2020: £1,371,225).

Employees

Arrangements exist to keep all employees informed of matters of concern to them and information on the performance of the Group and their individual company is widely disseminated. Employees are encouraged to be concerned with the performance of the Group and their individual company, and various bonus schemes, including a profit-related bonus scheme, operate to emphasise and reinforce this.

Future developments

The Company and the wider Group are known for innovation in the industry and aim to introduce one new technology or product group per year specifically targeted at improving vehicle safety.

Disclosure of information to auditors

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as that director is aware, there is no relevant audit information of which the Group's auditors are unaware, and
- the directors have taken all the steps that they ought to have taken as a director in order to be aware of any relevant audit information and to establish that the Group's auditors are aware of that information.

Brigade Electronics Group Plc

Directors' report for the year ended 31 January 2021 (*continued*)

Auditors

BDO LLP have expressed their willingness to continue in office. Under the Companies Act 2006 section 487 (2) they will be automatically reappointed as auditors 28 days after these accounts are sent to the members, unless the members exercise their rights under the Companies Act 2006 to prevent their reappointment.

This report was approved by the board on 2nd July 2021 and signed on its behalf.



M Palmer
Company Secretary and Director

Brigade Electronics Group Plc

Directors' responsibilities statement for the year ended 31 January 2021

The directors are responsible for preparing the strategic and directors' reports 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless 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 Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Brigade Electronics Group Plc

Independent auditor's report

TO THE MEMBERS OF BRIGADE ELECTRONICS GROUP PLC

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 January 2021 and of the Group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Brigade Electronics Group Plc ("the Parent Company") and its subsidiaries ("the Group") for the year ended 31 January 2021 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statement of Changes in Equity, the Consolidated Cash Flow Statement and Notes forming part of the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 Group and the Parent 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

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

Brigade Electronics Group Plc

Independent auditor's report (*continued*)

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

In the light of the knowledge and understanding of the Group and Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and directors' 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 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, 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 Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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.

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

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Independent auditor's report (*continued*)

Identifying and assessing potential risks related to irregularities

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, our procedures included the following:

- enquiring of management, and the board of directors, including obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance;
 - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
 - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations.
- discussing among the engagement team how and where fraud might occur in the financial statements and any potential indicators of fraud. As part of this discussion, we identified potential for fraud in revenue recognition.
- obtaining an understanding of the legal and regulatory frameworks that the Group and the Parent Company operates in, focusing on those laws and regulations that had a direct effect on the financial statements or that had a fundamental effect on the operations of the group. The key laws and regulations we considered in this context included the UK Companies Act, and relevant tax legislation.

Audit response to risks identified

Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with relevant laws and regulations discussed above;
- enquiring of management and the board of directors concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

We also communicated relevant identified laws and regulations and potential fraud risks to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.


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

Brigade Electronics Group Plc

Independent auditor's report (*continued*)

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.

DocuSigned by:

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Michael Philp (senior statutory auditor)
For and on behalf of BDO LLP, statutory auditor
Gatwick
United Kingdom

06 July 2021

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Brigade Electronics Group Plc

Consolidated Statement of Comprehensive Income for the year ended 31 January 2021

	Note	2021 £	2020 £
Turnover	3	51,707,426	53,014,997
Cost of sales		(25,516,182)	(26,141,326)
Gross profit		26,191,244	26,873,671
Distribution costs		(10,275,879)	(10,255,015)
Administrative expenses		(9,012,357)	(9,773,617)
		(19,288,236)	(20,028,632)
Operating profit	6	6,903,008	6,845,039
Other interest receivable and similar income		7,396	34,438
Interest payable and similar charges		(194,535)	(172,066)
Profit on ordinary activities before taxation		6,715,869	6,707,411
Taxation on profit from ordinary activities	7	(1,396,151)	(1,444,375)
Profit for the year		5,319,718	5,263,036
Other comprehensive income/(loss)		105,461	(117,080)
Total comprehensive income for the year		5,425,179	5,145,956
Profit for the year attributable to:			
Minority interest		132,959	65,681
Owners of parent company		5,186,759	5,197,355
		5,319,718	5,263,036
Total comprehensive income attributable to:			
Minority interest		124,895	64,743
Owners of parent company		5,300,284	5,081,213
		5,425,179	5,145,956

The company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Statement of Comprehensive Income

The notes on pages 19 to 35 form part of these financial statements.

Brigade Electronics Group Plc

Consolidated Statement of Financial Position at 31 January 2021

Company number 07107804	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		1,685,483		2,010,355
			<u>1,685,483</u>		<u>2,010,355</u>
Current assets					
Stocks	11	12,821,626		13,282,305	
Debtors	12	9,192,223		8,995,769	
Cash at bank		11,260,587		9,139,023	
		<u>33,274,436</u>		<u>31,417,097</u>	
Creditors: amounts falling due within one year	13	<u>(9,684,503)</u>		<u>(12,280,697)</u>	
Net current assets			<u>23,589,933</u>		<u>19,136,400</u>
Net assets			<u>25,275,416</u>		<u>21,146,755</u>
Capital and reserves					
Called up share capital	16		591,751		591,751
Merger reserve			20,000		20,000
Share premium			208,611		208,611
Profit and loss account			24,085,209		20,081,443
Equity minority interest			369,845		244,950
			<u>25,275,416</u>		<u>21,146,755</u>
Shareholders' funds			<u>25,275,416</u>		<u>21,146,755</u>

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on 2nd July 2021



C P Hanson-Abbott
Director

The notes on pages 19 to 35 form part of these financial statements.

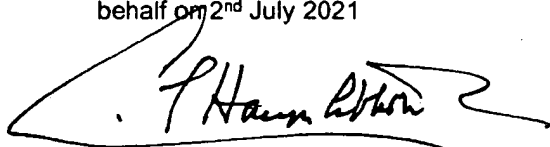
Brigade Electronics Group Plc

Company Statement of Financial Position at 31 January 2021

<i>Company number 07107804</i>	Note	2021 £	2021 £	2020 £	2020 £
Fixed assets					
Tangible assets	9		868,519		1,090,570
Investments	10		1,538,423		1,538,423
			<u>2,406,942</u>		<u>2,628,993</u>
Current assets					
Stocks	11	8,965,464		9,455,434	
Debtors	12	5,365,688		6,363,872	
Cash at bank and in hand		6,004,736		5,754,126	
		<u>20,335,888</u>		<u>21,573,432</u>	
Creditors: amounts falling due within one year	13	<u>(7,367,381)</u>		<u>(9,808,795)</u>	
Net current assets			<u>12,968,507</u>		<u>11,764,637</u>
Net assets			<u>15,375,449</u>		<u>14,393,630</u>
Capital and reserves					
Called up share capital	16		591,751		591,751
Share premium			208,611		208,611
Profit and loss account			14,575,087		13,593,268
Shareholders' funds			<u>15,375,449</u>		<u>14,393,630</u>

The company reported a profit for the year of £2,278,337 (2020: £3,847,171).

The financial statements were approved and authorised for issue by the board of directors and were signed on its behalf on 2nd July 2021



C P Hanson-Abbott
Director

The notes on pages 19 to 35 form part of these financial statements.

Brigade Electronics Group Plc

Consolidated Statement of Changes in Equity for the year ended 31 January 2021

	Share capital £	Merger reserve £	Share premium £	Profit and loss account £	Minority interest £	Shareholders' funds £
As at 1 February 2020	591,751	20,000	208,611	20,081,443	244,950	21,146,755
<i>Comprehensive income for the year</i>						
Profit for the year	-	-	-	5,186,759	132,959	5,319,718
Currency translation differences	-	-	-	113,525	(8,064)	105,461
Total comprehensive income for the year	-	-	-	5,300,284	124,895	5,425,179
Total contributions by and distributions to owners	-	-	-	(1,296,518)	-	(1,296,518)
As at 31 January 2021	591,751	20,000	208,611	24,085,209	369,845	25,275,416
As at 1 February 2019	591,751	20,000	208,611	16,498,418	180,207	17,498,987
<i>Comprehensive income for the year</i>						
Profit for the year	-	-	-	5,197,355	65,681	5,263,036
Currency translation differences	-	-	-	(116,142)	(938)	(117,080)
Total comprehensive income for the year	-	-	-	5,081,213	64,743	5,145,956
Total contributions by and distributions to owners	-	-	-	(1,498,188)	-	(1,498,188)
As at 31 January 2020	591,751	20,000	208,611	20,081,443	244,950	21,146,755

The notes on pages 19 to 35 form part of these financial statements.

Brigade Electronics Group Plc

Company Statement of Changes in Equity for the year ended 31 January 2021

	Share capital £	Share Premium £	Profit and loss account £	Shareholders' funds £
As at 1 February 2020	591,751	208,611	13,593,268	14,393,630
<i>Comprehensive income for the year</i> Profit for the year	-	-	2,278,337	2,278,337
Total comprehensive income for the year	-	-	2,278,337	2,278,337
Total contributions by and distributions to owners	-	-	(1,296,518)	(1,296,518)
As at 31 January 2021	591,751	208,611	14,575,087	15,375,449
	£	£	£	£
As at 1 February 2019	591,751	208,611	11,244,285	12,044,647
<i>Comprehensive income for the year</i> Profit for the year	-	-	3,847,171	3,847,171
Total comprehensive income for the year	-	-	3,847,171	3,847,171
Total contributions by and distributions to owners	-	-	(1,498,188)	(1,498,188)
As at 31 January 2020	591,751	208,611	13,593,268	14,393,630

The notes on pages 19 to 35 form part of these financial statements.

Brigade Electronics Group Plc

Consolidated Statement of Cash Flows for the year ended 31 January 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Profit for the financial year		5,425,179	5,145,956
Adjustments for:			
Depreciation, impairment and amortisation of fixed assets	9	637,833	613,838
Net interest payable		187,139	137,628
Taxation expense	7	1,396,151	1,444,375
Increase in trade and other debtors		(386,581)	(527,812)
(Increase)/Decrease in stocks		460,679	(5,421,564)
Increase/(Decrease) in trade and other creditors		61,627	(471,095)
Foreign exchange losses/(gains)		(105,461)	117,080
Loss / (gain) on disposal of fixed assets		(30,796)	43,274
		<hr/>	<hr/>
Cash from operations		7,645,770	1,081,680
Interest paid		(194,535)	(172,066)
Taxation paid		(1,396,296)	(1,471,133)
		<hr/>	<hr/>
Net cash generated from operating activities		6,054,939	(561,519)
		<hr/>	<hr/>
Cash flows from investing activities			
Proceeds from sale of tangible fixed assets		41,108	37,281
Purchases of tangible fixed assets		(295,508)	(645,036)
Interest received		7,396	34,438
		<hr/>	<hr/>
Net cash used in investing activities		(247,004)	(573,317)
		<hr/>	<hr/>
Cash flows from financing activities			
Equity dividends paid		(1,296,518)	(1,498,188)
Increase/(decrease) in trade loans		(1,088,646)	2,633,878
		<hr/>	<hr/>
Net cash from financing activities		(2,385,164)	1,135,690
		<hr/>	<hr/>
Net increase in cash and cash equivalents		3,422,771	854
Cash and cash equivalents at beginning of year		7,451,019	7,522,944
Foreign exchange gains and losses		77,697	(72,779)
		<hr/>	<hr/>
Cash and cash equivalents at end of year		10,951,487	7,451,019
		<hr/>	<hr/>
Cash and cash equivalents comprise:			
Cash at bank and in hand		11,260,587	9,139,023
Overdrafts		-	(44,473)
Directors' loans	14	(309,100)	(1,643,531)
		<hr/>	<hr/>
		10,951,487	7,451,019
		<hr/>	<hr/>

The notes on page 19 to 35 form part of these financial statements.

Brigade Electronics Group Plc

Notes forming part of the financial statements for the year ended 31 January 2021

1 Accounting policies

Company Information

Brigade Electronics Group Plc is a company incorporated in England and Wales under the Companies Act. The address of the registered office is given on the contents page and the nature of the Group and Company's operations and principal activity is the design, development, marketing and distribution of vehicle and mobile machinery safety systems.

Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102 ("FRS 102"), the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland, and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 2).

In preparing the financial statements the directors are required to assess the Group's ability to continue to trade as a going concern for the foreseeable future.

As at the date of signing these financial statements, there is still uncertainty about impact of the COVID19 pandemic on world economies and thus the impact this would have on the future financial results of the Group. In undertaking their assessment, the directors have given due consideration to the Group's cash position, historical and current trading, together with forward looking projections.

The various government-imposed actions to combat the pandemic, and the emergence of new variants, such as the lockdowns imposed in a number of the key territories in which we operate, may lead to a material reduction in the level of revenue, difficulties in obtaining the supply of components for our products, delays in the manufacture of those products and a reduction in the recovery of the amounts owed by our customers. The Group benefits from a portfolio effect as it operates in numerous jurisdictions and is thus not confined to the fortunes of one particular territory.

The directors have reviewed the cash flow forecasts and based on their best assessment believe that the Group will have sufficient financing to ensure cash flows for the next twelve months. As such, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

FRS 102 - reduced disclosure exemptions

The Group and Company have taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102:

- the requirements of Section 3 - Financial Statement Presentation paragraph 3.17 (d)
- the requirements of Section 7 - Statement of Cash Flows for the Company.

Where applicable, this information is included in the consolidated financial statements of Brigade Holdings Limited as at 31 January 2021 and these financial statements may be obtained from Companies House.

The following principal accounting policies have been applied: -

Basis of consolidation

The consolidated financial statements present the results of Brigade Electronics Group Plc and its subsidiaries ("the Group") as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

Brigade Electronics Group Plc

Notes forming part of the financial statements for the year ended 31 January 2021 (*continued*)

1 Accounting policies (*continued*)

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the balance sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

Revenue

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

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

Tangible fixed assets

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

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when the cost is incurred, if the replacement part is expected to provide incremental future benefits to the company. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to the Statement of Comprehensive Income during the period in which they are incurred.

Depreciation is charged to allocate the cost of assets less their residual value over their estimated useful lives. Depreciation is provided on the following bases:

Freehold buildings	-	2% straight line on cost
Motor vehicles	-	20-25% straight line on cost
Equipment, fixtures and fittings (computer equipment)	-	20-33% straight line on cost or reducing balance
Equipment, fixtures and fittings (non-computer equipment)	-	20-25% straight line on cost or reducing balance
Plant and machinery	-	15-33% straight line on cost or reducing balance

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

Gain and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Consolidated Statement of Comprehensive Income.

Brigade Electronics Group Plc

Notes forming part of the financial statements for the year ended 31 January 2021 (*continued*)

1 Accounting policies (*continued*)

Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

Research and development costs

In the research phase of an internal project it is not possible to demonstrate that the project will generate future economic benefits and hence all expenditure on research is recognised as an expense when it is incurred. Intangible assets are recognised from the development phase of a project if, and only if, certain specific criteria are met in order to demonstrate that the asset will generate probable future economic benefits and that its cost can be reliably measured. The capitalised development costs are subsequently amortised to 'administrative expenses' on a straight line basis over their expected useful economic lives.

The expected useful economic life of development costs is estimated based on business plans which set out the development plan and time to market for the associated project.

If it is not possible to distinguish between the research phase and the development phase of an internal project the expenditure is treated as if it were all incurred in the research phase only.

Stock

Stocks are valued at the lower of cost and estimated net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in first out basis. In the case of work in progress and finished goods, cost includes all direct expenditure and product overheads based on the normal level of activity.

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

Debtors

Short-term debtors are measured at transaction prices, less any impairment.

Cash and cash equivalents

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

Bank overdrafts and directors' loans are repayable on demand and have been used as part of cash management and are considered part of cash and cash equivalents.

Creditors

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

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (*continued*)

1 Accounting policies (*continued*)

Financial assets

Financial assets, other than derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at cost, less any impairment.

Financial liabilities and equity

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form. Financial liabilities, excluding derivatives, are initially measured at transaction price (including transaction costs) and subsequently held at amortised cost. These derivatives are measured at fair value at each reporting date with movements recognised through profit or loss.

Foreign currency translation

a) *Functional and presentational currency* - The Group's functional and presentational currency is GBP.

b) *Foreign currency translation*

Foreign currency transactions are translated into the functional currency using the spot rate at the dates of the transactions. Spot rates are generally estimated as the same rate throughout the month, except for significantly large transactions. At each period end, foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are translated using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Consolidated Statement of Comprehensive Income.

Pension scheme

The Group provides a defined contribution pension scheme, the assets of which are held separately from those of the Group in an independently administered fund. Contributions to this scheme are charged to the Consolidated Statement of Comprehensive Income as they become payable. Amounts not paid are shown in accruals as a liability in the Consolidated Statement of Financial Position.

Operating leases

Operating leases are charged on a straight-line basis over the term of the lease.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholder.

Brigade Electronics Group Plc

Notes forming part of the financial statements for the year ended 31 January 2021 (continued)

Current and deferred taxation

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

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company and the group operate and generate income.

2 Judgements in applying accounting policies and key sources of estimation uncertainty

In preparing these financial statements, the directors have made estimates and judgements in regard to the following matters:

(a) Useful lives of intangible and tangible fixed assets.

Both intangible and tangible assets are amortised or depreciated over their useful lives. Useful lives are based on the management's estimate and judgement of the period that the assets will contribute to revenue generation. Factors that can affect these estimates and judgements include technological innovation, product life cycles, maintenance programmes and residual values. Changes to these factors, and therefore to the estimates and judgements, can result in variations in the carrying value of the assets and the amounts charged to the Consolidated Statement of Comprehensive Income in specific reporting periods for depreciation and amortisation.

(b) Inventory

The companies within the Group that carry inventory review the net realisable value of, and demand for, their inventory on a regular basis and particularly at the year-end. Factors such as technological innovation, supplier pricing, competitor activities and economic environments have an impact on the judgements made in reporting inventory at the lower of cost and net realisable value.

(c) Going concern

In light of the Covid 19 pandemic and the severe impact on the global economy there remains uncertainty about the economic recovery. Factors considered include further outbreaks of the virus, the impact on the future capital expenditure within the commercial vehicle market and the rate of economic recovery.

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (continued)

3 Turnover

The turnover and profit before taxation is attributable to the one principal activity of the Group.

	2021 £	2020 £
Turnover analysed by geographical area:		
Sales UK	14,892,322	15,129,498
Sales Overseas	36,815,104	37,885,499
	<u>51,707,426</u>	<u>53,014,997</u>

4 Employees

	2021 £	2020 £
Staff costs consist of:		
Wages and salaries	10,301,965	9,745,338
Social security costs	1,514,352	1,358,816
Other pension costs	520,634	489,047
	<u>12,336,951</u>	<u>11,593,201</u>

The Group operates defined contribution pension schemes on behalf of the employees in various territories in which it operates. The assets of these schemes are held separately from those of the relevant group company, in independently administered funds. Contributions amounting to £52,732 (2020: £46,070) were payable at the year end and are included in creditors.

The average number of employees, including executive directors, during the year was:

	2021 Number	2020 Number
Operations and materials	27	27
Sales and marketing	68	59
Administration and technical	118	115
	<u>213</u>	<u>201</u>

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 *(continued)*

5 Directors

	2021 £	2020 £
Emoluments	1,282,493	1,805,609
Company contributions to pension scheme	97,120	90,567
	1,379,613	1,896,176

During the year 6 directors (2020: 6) participated in money purchase pension schemes.

Highest paid director

Emoluments	316,455	333,421
Company contributions to a pension scheme	43,950	29,339
	360,405	362,760

6 Operating profit

	2021 £	2020 £
This has been arrived at after charging/(crediting):		
Amortisation of intangible fixed assets	-	17,774
Depreciation of tangible assets	637,833	596,064
Loss/(gain) on disposal of tangible fixed assets	(30,796)	43,274
Foreign exchange (gains)/losses	(84,739)	(115,060)
Research and development costs	1,175,464	1,371,225
Payment to auditors:		
- audit fee	54,840	42,333
	54,840	42,333

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (continued)

7 Taxation	2021 £	2020 £
Corporation tax		
Current tax on profits for the year	(1,480,196)	(1,227,129)
Adjustment in respect of previous period	47,138	(32,707)
	(1,433,058)	(1,259,836)
Deferred tax		
Origination and reversal of timing differences	67,441	(136,048)
Adjustment in respect of previous period	(30,534)	(48,491)
	36,907	(184,539)
Taxation on profit from ordinary activities	(1,396,151)	(1,444,375)

Factors affecting the tax charge for the year

The tax assessed for the year is higher than (2020: higher than) the standard rate of corporation tax in the UK of 19% (2020: 19%). The differences are explained below.

	2021 £	2020 £
Profit on ordinary activities before tax	6,715,869	6,707,411
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	(1,276,015)	(1,274,408)
Effects of:		
Enhanced R&D expenditure	138,114	133,000
Disallowable expenses	(121,360)	(215,493)
Patent box relief	849	35,857
Adjustment to previous period	16,604	(81,198)
Overseas tax rates	(154,343)	(42,133)
	(1,396,151)	(1,444,375)

Factors that may affect future tax charges

A change in the main UK corporation tax rate, announced in the budget on 3 March 2021, was substantively enacted on 11 March 2021. From 1 April 2023 the main corporation tax rate will increase from 19% to 25% on profits over £250,000. The rate for small profits under £50,000 will remain at 19%. Where the company's profits fall between £50,000 and £250,000, the lower and upper limits, it will be able to claim an amount of marginal relief providing a gradual increase in the corporation tax rate. This will increase the Group's future tax charge accordingly.

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (continued)

8 Dividends	2021	2020
Company	£	£
On equity shares:		
Final prior year dividend paid	838,868	465,163
Interim dividends in respect of the year ended 31 January	457,650	1,033,025
	<hr/>	<hr/>
	1,296,518	1,498,188
	<hr/>	<hr/>
Final dividend proposed for the year	807,440	838,868
	<hr/>	<hr/>

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (*continued*)

9 Tangible assets

Group	Land and buildings £	Motor vehicles £	Equipment, fixtures and fittings £	Plant and machinery £	Total £
<i>Cost</i>					
At 1 February 2020	295,997	1,478,936	1,719,647	278,383	3,772,963
Additions	10,843	124,915	151,448	8,302	295,508
Disposals	-	(212,272)	(205)	-	(212,477)
Currency translation	13,914	10,420	4,927	(1,499)	27,762
	<u>320,754</u>	<u>1,401,999</u>	<u>1,875,817</u>	<u>285,186</u>	<u>3,883,756</u>
<i>Depreciation</i>					
At 1 February 2020	32,021	932,506	630,350	167,731	1,762,608
Provided for the year	6,495	233,400	322,621	75,317	637,833
Adjustments for disposals	-	(202,015)	(125)	-	(202,140)
Currency translation	1,508	75	(639)	(972)	(28)
	<u>40,024</u>	<u>963,966</u>	<u>952,207</u>	<u>242,076</u>	<u>2,198,273</u>
<i>Net book value</i>					
At 31 January 2021	<u>280,730</u>	<u>438,033</u>	<u>923,610</u>	<u>43,110</u>	<u>1,685,483</u>
At 31 January 2020	<u>263,976</u>	<u>546,430</u>	<u>1,089,297</u>	<u>110,652</u>	<u>2,010,355</u>

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 *(continued)*

9 Tangible assets *(continued)*

Company	Motor vehicles £	Fixtures, and fittings £	Equipment, plant and machinery £	Total £
<i>Cost</i>				
At 1 February 2020	305,223	1,469,145	213,185	1,987,553
Additions	25,000	110,722	7,732	143,454
Disposals	(58,281)	(205)	-	(58,486)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2021	271,942	1,579,662	220,917	2,072,521
<i>Depreciation</i>				
At 1 February 2020	247,669	510,988	138,326	896,983
Provided for the year	30,548	277,813	56,939	365,300
Adjustment for disposals	(58,281)	-	-	(58,281)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2021	219,936	788,801	195,265	1,204,002
<i>Net book value</i>				
At 31 January 2021	52,006	790,861	25,652	868,519
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January 2020	57,554	958,157	74,859	1,090,570
	<hr/>	<hr/>	<hr/>	<hr/>

10 Investments

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
<i>Cost</i>				
At 1 February	-	-	1,538,423	1,538,423
Impairment/disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 January	-	-	1,538,423	1,538,423
	<hr/>	<hr/>	<hr/>	<hr/>

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (continued)

10 Investments (continued)

The Group and Company's investments, at the balance sheet date, in the share capital of companies include the following:

Name of company	Country of incorporation or registration	Class of shares	Holding	Nature of business
Brigade Electronics (UK) Limited	UK	Ordinary	100%	Marketing and distribution of automotive reverse & safety systems
Brigade Elektronik GmbH	Germany	Ordinary	100%	Marketing and distribution of automotive reverse & safety systems
Brigade Electronics Inc	USA	Ordinary	90%	Marketing and distribution of automotive reverse & safety systems
Brigade Elettronica SRL	Italy	Ordinary	100%	Marketing and distribution of automotive reverse & safety systems
Brigade Electronics BV	Netherlands	Ordinary	100%	Marketing and distribution of automotive reverse & safety systems
Brigade (bbs-tek) Limited	UK	Ordinary	100%	Patent holding and associated activities
Brigade Automotive Ltd	UK	Ordinary	100%	Dormant
Brigade Electronique Sarl	France	Ordinary	95%	Non-trading and under administration, pending liquidation. Treated as an investment of nil value.
Brigade Electronics France SAS	France	Ordinary	100%	Marketing and distribution of automotive reverse & safety systems
Brigade Electronics (Canada) Limited	Canada	Ordinary	90%	Marketing and distribution of automotive reverse & safety systems
Brigade Electronics (Polska) sp. z o.o.	Poland	Ordinary	90%	Marketing and distribution of automotive reverse & safety systems

All subsidiary undertakings have been included in the consolidation.

11 Stocks

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Finished goods and goods for resale	12,821,626	13,282,305	8,965,464	9,455,434

Stock recognised in cost of sales during the year as an expense was £24,611,414 (2020: £25,360,977).

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (continued)

12 Debtors

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	7,748,480	7,767,470	867,675	1,221,379
Other debtors	78,089	42,782	6,344	30,281
Deferred taxation	179,662	142,755	153,661	117,239
Amounts owed by group undertakings and undertakings in which the company has a participating interest	-	-	3,363,429	4,244,812
Prepaid expenses and accrued income	1,185,992	1,042,762	741,087	574,693
Other taxes and social security Corporation Tax	-	-	233,492	83,265
	-	-	-	92,203
	9,192,223	8,995,769	5,365,688	6,363,872

13 Creditors: amounts falling due within one year

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Overdrafts	-	44,473	-	-
Trade creditors	3,363,201	4,275,532	2,825,861	3,882,949
Other creditors	373,672	1,699,180	338,877	1,671,071
Amounts owed to group undertakings and undertakings in which the company has a participating interest	1,514,966	1,155,090	1,646,035	1,236,546
Other taxes and social security	424,633	625,911	127,520	125,689
Corporation tax	327,638	317,599	42,312	-
Accruals and deferred income	3,680,393	4,162,912	2,386,776	2,892,540
	9,684,503	12,280,697	7,367,381	9,808,795

Trade creditors include trade loans of £1,852,940 (2020: £2,941,586). Interest is payable on the outstanding amount at 2.38% (2020: 2.38%) above HSBC's Euro base rate.

Other creditors include a loan from directors of £309,100 (2020: £1,643,531). Interest is payable on the outstanding amount at 4% (2020: 4%) above Bank of England's published base rate.

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (*continued*)

14 Financial instruments

	2021 £	2020 £
The Group's financial instruments may be analysed as follows:		
Financial assets		
Financial assets measured at amortised cost	<u>19,087,156</u>	<u>16,949,275</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>5,195,925</u>	<u>7,074,153</u>

Financial assets measured at amortised cost comprise cash, trade debtors and other debtors

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors and other creditors

	2021 £	2020 £
The Company's financial instruments may be analysed as follows:		
Financial assets		
Financial assets measured at amortised cost	<u>10,242,184</u>	<u>11,250,598</u>
Financial liabilities		
Financial liabilities measured at amortised cost	<u>4,780,996</u>	<u>6,790,566</u>

Financial assets measured at amortised cost comprise cash, trade debtors, other debtors and amounts owed by group undertakings.

Financial liabilities measured at amortised cost comprise bank overdrafts, trade creditors, other creditors and amounts owed to group undertakings.

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (*continued*)

15	Deferred Taxation Group		Deferred Taxation £
	At 1 February 2020		142,755
	Debited to income in the year (note 7)		36,907
			179,662
	At 31 January 2021		179,662
	The components of the deferred tax liability are as follows:		
		2021	2020
		£	£
	Accelerated capital allowances	(64,454)	(32,852)
	Short term timing differences	247,553	180,607
	Losses and other deductions	(3,437)	-
		179,662	179,662
	Company		Deferred Taxation £
	At 1 February 2020		117,239
	Debited to income in the year		36,422
			153,661
	At 31 January 2021		153,661
	The components of the deferred tax liability are as follows:		
		2021	2020
		£	£
	Accelerated capital allowances	(80,928)	(57,140)
	Short term timing differences	238,026	174,379
	Losses and other deductions	(3,437)	-
		153,661	153,661

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (*continued*)

16 Share capital

	Allotted, called up and fully paid			
	2021 Number	2020 Number	2021 £	2020 £
Ordinary shares of £1 each	591,751	591,751	591,751	591,751
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

17 Reserves

The Group and Company's capital and reserves are as follows:

Share capital

Called up share capital represents the nominal value of shares issued.

Merger reserve

The merger reserve represents the amounts arising on acquisition when merger accounting has been applied.

Share premium

The share premium reserve contains the excess of the amounts paid for share capital over the nominal value.

Profit and loss account

Profit and loss account represents cumulative profits or losses net of dividends paid and foreign currency exchange movements.

18 Commitments under operating leases

The Group and Company had minimum lease payments under non-cancellable operating leases as set out below:

	Land and buildings 2021 £	Land and buildings 2020 £
Operating leases which expire:		
Not later than 1 year	44,044	159
Later than 1 year and not later than 5 years	647,068	1,045,572
	<u> </u>	<u> </u>
Total	<u>691,112</u>	<u>1,045,731</u>

Brigade Electronics Group Plc

Notes forming part of the financial statements
for the year ended 31 January 2021 (*continued*)

19 Contingent liability

The Company is a party to the Group's funding and credit facilities, under which there are cross guarantees, a fixed and floating charge and indemnities. At 31 January 2021 the Company had guaranteed the borrowings of certain Group companies which amounted to £Nil (2020: £Nil).

20 Related party transactions

In accordance with the exemption conferred by FRS 102 Section 33, transactions with other Group companies are not disclosed in these financial statements.

21 Ultimate parent company

The Company is a wholly owned subsidiary of Brigade Holdings Limited which is the largest and smallest group to consolidate this company. The ultimate controlling party is Mr C P Hanson-Abbott.