

TREND FINCO LIMITED

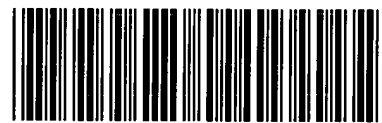
Report and Financial Statements

For the year ended

31 December 2020

Company Number 11720748

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TREND FINCO LIMITED

Report and financial statements for the year ended 31 December 2020

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Directors

Mathew Hutchinson
Ben Lewis
Paul Walsh
Scott Paterson

Registered office

Stokenchurch House
Oxford Road
Stokenchurch
High Wycombe
Buckinghamshire
HP14 3SX

Company number

11720748

Auditor

BDO LLP, Level 12, Thames Tower, Reading, Berkshire, RG1 1LX

Banker

HSBC Bank plc, 19 Midsummer Place, Milton Keynes, MK9 3GB

TREND FINCO LIMITED

Strategic report for the year ended 31 December 2020

The directors present the strategic report together with the audited financial statements for the year ended 31 December 2020.

Strategic review of the business

TREND Finco Limited was incorporated on 10 December 2018 and is the intermediate parent company of a group of companies. On 11 December 2018 TREND Finco Limited acquired the shareholding of TREND Midco Limited for £1. On 11 December 2018 TREND Midco Limited acquired the shareholding of TREND Bidco Limited for £1. On 20 December 2018, TREND Bidco Limited acquired the Networks division of companies from IDEAL Industries Holdings Limited, being TREND Networks Limited, IDEAL Industries GmbH, IDEAL Industries SAS and ID Networks US LLC ("Networks") for £26,951k, plus acquisition costs of £714k. TREND Bidco Limited, on behalf of the group, took out loans with HSBC Bank plc for £8,600k and also secured a revolving credit facility of £2,000k the cash flow risks commentary below details out how management are monitoring this risk.

The start of 2020 saw the arrival of Covid-19 and whilst this presented a large uncertainty for the group, it has performed well considering the various issues faced.

The directors utilise various Key Performance Indicators in order to measure the performance of the business. These include cash at bank and in hand, debtor's days and inventory days. These have all performed in line with expectations set at the time of the budget. The KPI's also include order intake, sales, gross margins, operating profit, shareholders deficit. These have all slightly under performed in line with expectations set at the time of the budget when there was no insight into the Covid pandemic to come. All KPI's are monitored and reviewed by the Executive team and Board of Directors each month and they help to drive business decisions. The directors are satisfied that although the results are lower than the budget, they have performed better than the re-forecast made at the start of Covid-19. From the initial large impact in April 2020, sales continued to grow through to the end of the year, finishing with record quarterly sales in Q4. The directors, board and investors agreed that the best strategy for the group was to also continue with new product development investment as this would provide the group with a stronger product portfolio from which to grow once the impact of Covid reduces.

	Year ended 31 December 2020 £000	13 months ended 31 December 2019 £000
Turnover	13,341	14,452
Gross profit %	58.9%	61.8%
Operating loss	(1,907)	(1,561)
Cash at bank and in hand	5,554	3,982
Shareholder's deficit	(6,979)	(3,261)
Debtors days	60	59
Inventory days	101	117

Future developments

The directors intend that the group will continue to expand by looking at acquisitions and market growth opportunities whilst continuing the required operational investments in parallel with wider business cost controls.

Research and Development

The group continued to invest in the development of its core products, with a focus on major software enhancement releases to target new customers and markets. There is also extensive project development on future new products which results in a strong pipeline of product releases to come. The total research and development activities undertaken by the group, including related salaries amounted to £1,624k (2019 - £1,319k). R&D tax credits of £110k (2019 - £51k) have been claimed against these incurred costs.

TREND FINCO LIMITED

Strategic report
for the year ended 31 December 2020 (*continued*)

Principal risks and uncertainties

The group is exposed to the general economic conditions in each of the countries it operates in. Management regularly monitor the performance of the group against agreed targets to ensure that the group and the company are able to continue to meet its obligations as they fall due.

Credit risk

The group's principal financial assets are cash and trade debtors. The credit risk associated with the cash is managed by the group monitoring the financial position of the counterparties involved. The principal credit risk arises from its trade debtors. In order to manage credit risk the directors set limits for customers based on a combination of payment history and third party credit references. This has resulted in minimal payment defaults during the year.

Interest rate risk

The group's external borrowings attract interest at a rate which combines fixed and variable elements. The variable element of the interest rate is agreed on a regular basis with the lender.

Liquidity risk

Current and projected working capital demand in the company's subsidiaries are reviewed in conjunction with the group's existing financing facilities to determine cash requirements as part of the routine reporting process. These are reviewed by both the Executive team and Board of Directors regularly.

Brexit

For the group, the risks in association with Brexit were widely expected to have been mitigated by our partnership with our prominent freight forwarder. The group also registered for VAT in Germany and shipped via there to minimise any potential disruptions. Unfortunately, the shipping / border process took some time to settle in, both internally and with partners, which resulted in some delayed shipments for the initial part of the year. These process are now embedded and are working without issue.

Cash flow risk

On 13 March 2019, TREND Bidco Limited, on behalf of the group, borrowed funds from HSBC Bank plc, the loan is split into two different term agreements and the loan totaled £8,600k, it also agreed a revolving credit facility (RCF) of £2,000k. Details of the interest and charges are shown in Note 15.

The group's operations are cash positive and not capital intensive. Management continually monitor interest rate and liquidity risk and prepare cashflow forecasts on a regular basis to monitor the ability to repay capital and interest as it falls due.

Approval

The strategic report was approved by the order of the board on 26 October 2021



Ben Lewis
Director

Company Registration Number: 11720748

TREND FINCO LIMITED

Report of the directors for the year ended 31 December 2020

The Directors have pleasure in submitting their report with the audited financial statements for the year ended 31 December 2020.

Principal activity

The Group is principally engaged in the sale of equipment for the use in the installation and maintenance of LAN/WAN networks.

The Company is an intermediate holding company in the TREND Topco Limited group of companies, a company registered in Jersey.

Results and dividends

The consolidated statement of comprehensive income is set out on page 9 and shows a profit for the year.

For the Company, the directors do not recommend payment of a dividend for the year ended 31 December 2020.

For the Group, a £79k (2019 - £98k) dividend was recommended and paid from IDEAL Industries SAS to TREND Bidco Limited during the year.

Information in the Strategic Report

The Group has elected to set out in the Group's strategic report information required to be included in the directors' report. The strategic report includes a review of the development and performance of the business, including the future outlook with a description of the principal risks and uncertainties that the Group faces.

Directors

The directors who served during the year and to the date of this report were as follows:

Mathew Hutchinson
Ben Lewis
Paul Walsh (appointed 20 May 2020)
Scott Paterson (appointed 20 May 2020)

TREND Bidco Limited purchased and maintained Directors and Officers Liability Insurance from the point of acquisition.

TREND FINCO LIMITED

Report of the directors for the year ended 31 December 2020 (*continued*)

Directors' Responsibilities Statement

The directors are responsible for preparing the strategic report, the directors' report and the financial statements in accordance with applicable law and regulations.

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

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; 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 Group and 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.

In so far as the directors are aware:

- there is no relevant audit information of which the Company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

Auditor

BDO LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial period in accordance with section 487(2) of the Companies Act 2006 unless the Company receives notice under section 488(1) of that Act.

By order of the board



Ben Lewis
Director

Date: 26 October 2021

Company Registration Number: 11720748

TREND FINCO LIMITED

Independent auditor's report to the members of TREND Finco Limited

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 December 2020 and of the Group's loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of TREND Finco Limited (the 'Parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2020 which comprise the consolidated statement of total comprehensive income, the consolidated and company statements of financial position, the consolidated and company statements changes in equity, the consolidated statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain 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.

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's and 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 Report of the directors and financial statements, 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.

TREND FINCO LIMITED

Independent auditor's report to the members of TREND Finco Limited (*continued*)

Other information (*continued*)

We have nothing to report in this regard.

Other Companies Act 2006 reporting

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

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

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

Responsibilities of Directors

As explained more fully in the Report of the directors, 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.

TREND FINCO LIMITED

Independent auditor's report to the members of TREND Finco Limited (*continued*)

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:

- obtaining an understanding of the legal and regulatory framework that the Group and the Parent Company operates in, focusing on those laws and regulations that had a significant effect on the financial statements or that had a fundamental effect on the operations of the Group. The significant laws and regulations we considered in this context included:
 - o UK Companies Act;
 - o United Kingdom Accounting Standards, including Financial Reporting Standard 102, and
 - o Relevant tax legislation
- enquiring of management and those charged with governance, including obtaining and reviewing supporting documentation, concerning the group's policies and procedures relating to:
 - o identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance; and
 - o detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud.
- Discussing among the engagement team regarding 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, specifically in relation to the application of appropriate accounting policies, as well as management override of controls specifically in relation to the financial data and inappropriate use estimates.

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 those charged with governance 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;
- in addressing the risk for fraud in revenue recognition, testing the appropriateness of the revenue recognition policies and the application of these policies, performing specific procedures over the existence of revenue. In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the business rationale of transactions that are unusual or outside the normal course of business.

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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

TREND FINCO LIMITED

Independent auditor's report to the members of TREND Finco Limited (*continued*)

Use of our report

This report is made solely to the Parent 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 Parent 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 Parent Company and the Parent Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Chris Pooler
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Christopher Pooler (Senior Statutory Auditor)
For and on behalf of BDO LLP, Statutory Auditor
Reading, United Kingdom

Date 27 October 2021

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

TREND FINCO LIMITED

Consolidated statement of total comprehensive income for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £'000	13 months ended 31 December 2019 £'000
Turnover	3	13,341	14,452
Cost of sales		(5,489)	(5,514)
Gross profit		7,852	8,938
Administrative expenses		(9,759)	(10,499)
Operating loss	4	(1,907)	(1,561)
Interest payable and similar charges	5	(2,006)	(1,981)
Loss on ordinary activities before taxation		(3,913)	(3,542)
Taxation on profit on ordinary activities	8	12	513
Loss for the financial year		(3,901)	(3,029)
Other comprehensive income for the year		183	(232)
Currency translation differences			
Total comprehensive loss for the year		(3,718)	(3,261)

All amounts relate to continuing activities.

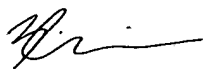
The notes on pages 15 to 32 form part of these financial statements.

TREND FINCO LIMITED

Consolidated statement of financial position at 31 December 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Intangible assets	9	21,292		24,649	
Tangible assets	10	693		617	
		21,985	21,985	25,266	25,266
Current assets					
Stocks	12	1,520		1,763	
Debtors	13	3,506		4,021	
Cash at bank and in hand		5,554		3,982	
		10,580		9,766	
Creditors: amounts falling due within one year	14	(20,922)		(19,269)	
Net current liabilities			(10,342)		(9,503)
Total assets less current liabilities			11,643		15,763
Creditors: amounts falling due after more than one year	15		(18,622)		(19,024)
Net liabilities			(6,979)		(3,261)
Capital and reserves					
Called up share capital	18		-		-
Profit and loss account			(6,979)		(3,261)
Shareholder's deficit			(6,979)		(3,261)

The financial statements were approved by the Board of Directors and authorised for issue on 26 October 2021



Ben Lewis
Director

Company Registration Number 11720748

The notes on pages 15 to 32 form part of these financial statements.

TREND FINCO LIMITED

Company statement of financial position at 31 December 2020

	Note	2020 £'000	2020 £'000	2019 £'000	2019 £'000
Fixed assets					
Investments	11		-		-
			-----		-----
			-		-
Current assets					
Debtors	13	24,191		24,100	
Cash at bank and in hand		-		-	
		-----		-----	
		24,191		24,100	
Creditors: amounts falling due within one year	14	(15,924)		(14,431)	
		-----		-----	
Net current assets			8,267		9,669
			-----		-----
Total assets less current liabilities			8,267		9,669
			-----		-----
Creditors: amounts falling due after more than one year	15		(11,029)		(11,029)
			-----		-----
Total assets less current liabilities, being net liabilities			(2,762)		(1,360)
			-----		-----
Capital and reserves					
Called up share capital	18		-		-
Profit and loss account			(2,762)		(1,360)
			-----		-----
Shareholder's deficit			(2,762)		(1,360)
			-----		-----

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements. The loss in respect of the Company for the year was £1,402k (2019 - £1,360k).

The financial statements were approved by the Board of Directors and authorised for issue on 26 October 2021



Ben Lewis
Director

Company Registration Number 11720748

The notes on pages 15 to 32 form part of these financial statements.

TREND FINCO LIMITED

Consolidated statement of changes in equity for the year ended 31 December 2020

	Note	Share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2020		-	(3,261)	(3,261)
<i>Comprehensive loss for the year</i>				
Loss for the year		-	(3,901)	(3,901)
Currency translation differences		-	183	183
Other comprehensive income for the year		-	183	183
Total comprehensive loss for the year		-	(3,718)	(3,718)
Balance at 31 December 2020		-	(6,979)	(6,979)
		-	-	-
<i>Comprehensive loss for the period</i>				
Loss for the period		-	(3,029)	(3,029)
Currency translation differences		-	(232)	(232)
Other comprehensive income for the period		-	(232)	(232)
Total comprehensive loss for the period		-	(3,261)	(3,261)
Contributions by and distributions to owners				
Share Issue on incorporation:	18	-	-	-
Total contributions by and distributions to owners		-	-	-
Balance at 31 December 2019		-	(3,261)	(3,261)

The notes on pages 15 to 32 form part of these financial statements.

TREND FINCO LIMITED

Company statement of changes in equity for the period ended 31 December 2020

	Note	Share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 1 January 2020	18	-	(1,360)	(1,360)
<i>Comprehensive loss for the period</i> Loss for the period		-	(1,402)	(1,402)
Total comprehensive loss for the period		-	(1,402)	(1,402)
Balance at 31 December 2020		-	(2,762)	(2,762)
	Note	Share capital £'000	Profit and loss account £'000	Total equity £'000
Balance at 10 December 2018	18	-	-	-
<i>Comprehensive loss for the period</i> Loss for the period		-	(1,360)	(1,360)
Total comprehensive loss for the period		-	(1,360)	(1,360)
Balance at 31 December 2019		-	(1,360)	(1,360)

The notes on pages 15 to 32 form part of these financial statements.

TREND FINCO LIMITED

Consolidated statement of cash flows for the year ended 31 December 2020

	Note	Year ended 31 December 2020 £'000	13 months ended 31 December 2019 £'000
Cash flows from operating activities			
Loss for the financial year		(3,901)	(3,029)
Adjustments for:			
Depreciation of fixed assets	10	176	76
Amortisation of intangible assets	9	3,897	3,822
Loss on disposal of fixed assets	10	-	1
Net interest payable	5	2,006	1,981
Taxation expense		(12)	(513)
Foreign exchange		59	(292)
Increase in trade and other debtors		147	(845)
Increase in stocks		243	(732)
Decrease in trade and other creditors		738	(1,210)
		<hr/>	<hr/>
		3,353	(741)
Cash from operations			
Interest paid		(370)	(480)
Income taxes paid		(101)	(99)
		<hr/>	<hr/>
Net cash generated from operating activities		2,882	(1,320)
Cash flows from investing activities			
Purchases of tangible fixed assets	10	(252)	(588)
Purchases of intangible fixed assets	9	(540)	(524)
Purchase of business undertaking		-	(27,665)
Cash acquired with subsidiary undertakings		-	2,284
		<hr/>	<hr/>
Net cash used in investing activities		(792)	(26,493)
Cash flows from financing activities			
New loan from parent undertaking		-	12,932
Parent undertaking loan repayments		(135)	-
New loan from ultimate controlling party		-	8,421
Loan Notes issued		-	11,029
New bank loans		-	8,600
Financing costs attributable to Bank loans		-	(741)
Bank loan repayments		(510)	(85)
Ultimate controlling party loan repayments		-	(8,421)
		<hr/>	<hr/>
Net cash used in financing activities		(645)	31,735
Net increase in cash and cash equivalents		1,445	3,922
Cash and cash equivalents at beginning of year		3,982	-
Foreign exchange gains and losses		127	60
		<hr/>	<hr/>
Cash and cash equivalents at end of year		5,554	3,982
Cash and cash equivalents comprise:			
Cash at bank and in hand		5,554	3,982
		<hr/>	<hr/>

The notes on pages 15 to 32 form part of these financial statements.

TREND FINCO LIMITED

Notes forming part of the financial statements for the year ended 31 December 2020

1 Accounting policies

The financial statements have been prepared in accordance with FRS 102, the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland. TREND Finco Limited ("the Company") is a private company limited by shares, incorporated in England & Wales under the Companies Act.

The address of the registered office is given on the contents page and the nature of the Group's operations and its principal activities are set out in the strategic report.

The presentation currency of these financial statements is sterling. All amounts included in the financial statements have been rounded to £ thousands.

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

Parent company disclosure exemptions

In preparing the separate financial statements of the parent company, advantage has been taken of the following disclosure exemptions available in FRS 102:

- Only one reconciliation of the number of shares outstanding at the beginning and end of the year has been presented as the reconciliations for the Group and the parent company would be identical;
- No cash flow statement has been presented for the parent company;
- Disclosures in respect of the parent company's income, expense, net gains and net losses on financial instruments measured at amortised cost have not been presented as equivalent disclosures have been provided in respect of the Group as a whole, and;
- No disclosure has been given for the aggregate remuneration of the key management personnel of the parent company as their remuneration is included in the totals for the Group as a whole.

The information is included in the consolidated financial statements of TREND Finco Limited, a company incorporated in Jersey. The registered address of TREND Topco Limited is 28 Esplanade, St. Helier, Jersey, JE4 2QP.

The following principal accounting policies have been applied:

Basis of consolidation

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

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the financial reporting, 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.

Going concern

The Directors have considered the effects of Covid-19 on the going concern of the Group and Company. Whilst there has been and is likely to continue to be some level of impact on the business, the Company and the Group which it heads is well-positioned for the current economic challenges due to its diverse customer base and its products being used when installing and maintaining the critical infrastructure around data networks. The Company has access to and utilises the TREND Topco Limited Group's banking facilities. The Directors, who are also Directors of TREND Topco Limited, the Company's ultimate Parent Company, consider the cash flow requirements on a group wide basis.

TREND FINCO LIMITED

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

1 Accounting policies (continued)

Going concern (continued)

The Directors have prepared financial and cashflow forecasts covering a period including 12 months from the date of these financial statements. These forecasts show that applying any reasonably foreseeable sensitivity to the key assumptions of revenue generation and customer payment periods and taking into account available cost saving actions if required, the Group and Company can continue to operate within the Group's current banking facility and related covenants, without the need for any further external support during that period.

TREND Topco Limited has provided a letter of support and confirmed that the intercompany creditor will not be called due for repayment within 12 months of the approval of these financial statements, unless the company has the ability to do so.

As a result of the above the Directors have continued to prepare the financial statements on a going concern basis.

Turnover

Turnover is the total amount receivable by the Group for goods supplied and services provided, excluding VAT and trade discounts.

Revenue from the sale of goods is recognised when the significant risks and benefits of ownership of the product have transferred to the buyer, which may be upon shipment, completion of the product or, in rare cases, the product being ready for delivery, based on specific contract terms.

Revenue from services provided by the Group is recognised when the Group has performed its obligations and in exchange obtained the right to consideration.

Intangible assets

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, which are 5 years. Amortisation begins when the intangible assets is available for use, i.e. when product is released to the market as a saleable item.

The expected useful economic life of development costs are estimated 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.

Goodwill

Goodwill arising on the acquisition of subsidiary undertakings and businesses represents the excess of the cost of a business combination over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is carried at cost less accumulated amortisation and accumulated impairment losses. The goodwill arising on the acquisition of TREND Networks Limited, IDEAL Industries GmbH, IDEAL Industries SAS and ID Networks US LLC are being amortised on a straight-line basis over its estimated useful life of 10 years.

TREND FINCO LIMITED

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

1 Accounting policies (continued)

Goodwill (continued)

Estimates of the useful economic life of goodwill are based on a variety of factors such as the expected use of the acquired business, the expected useful life of the cash generating units to which the goodwill is attributed, any legal, regulatory or contractual provisions that can limit useful life and assumptions that market participants would consider in respect of similar businesses.

Other intangible assets recognised on acquisition (continued)

Other Intangible assets arising on the acquisition of subsidiary undertakings and businesses represents the valuation of the cost of a business combination over the fair value of the Group's share of the net identifiable assets for the relevant intangible asset class of the acquired subsidiary at the date of acquisition. The other intangible assets arising on the acquisition of TREND Networks Limited, IDEAL Industries GmbH, IDEAL Industries SAS and ID Networks US LLC are being amortised on a straight-line basis over their estimated useful life as follows:

Developed Technology	- 5 years
IPR&D	- 7 years
Customer Relationships	- 10 years
Trade Names	- 15 years

The expected useful economic life of Developed Technology was determined on consideration of the average product life cycle left for the products already developed.

The expected useful economic life of IPR&D is based on the estimated life cycle for the products being developed at point of acquisition. This has been based on, consideration of expected length of time until release of each products to the market and the average product life cycle for the products already developed and on the markets historically sold into.

The expected useful economic life of Customer relationships are based on forecasted customer retention lengths.

The expected useful economic life of Trade names are estimated based on consideration of the relative age and strength in the market place of each product name and the expectations of their continued use and relevance in the market, based on historic and forward looking data.

Foreign currency translation

Foreign currency transactions are translated into the group entity's functional currency using the exchange rates prevailing at the start of each month in which the transactions occurred. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of total comprehensive income.

Assets, liabilities and results of overseas subsidiaries are translated into sterling at rates ruling at the year end date. Exchange adjustments arising on retranslation of opening net assets and on retranslating the results for the year are recognised in other comprehensive income. All other translation differences are taken to the income statement.

Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation. 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.

Repairs and maintenance are charged to profit or loss during the year in which they are incurred.

TREND FINCO LIMITED

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

1 Accounting policies (continued)

Depreciation

Assets are measured at depreciated historical cost. Demonstration equipment is depreciated under the plant and equipment category and is depreciated over five years. Depreciation is provided to write off the cost of the tangible fixed assets, less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives range as follows:

Fixtures and fittings	- 5 years
Computer equipment	- 3 to 5 years
Plant and equipment	- 5 years

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

Impairment of fixed assets and goodwill.

Fixed assets and goodwill are assessed at each reporting date to determine whether there is any indication that the asset is impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit (CGU) to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing an impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within the statement of comprehensive income.

Valuation of investments

Investments in subsidiaries are measured at cost less any provision for impairment.

Investments in unlisted company shares, which have been classified as fixed asset investments as the Group intends to hold them on a continuing basis, are measured at cost less impairment as their fair value cannot be reliably measured.

Stocks

Stocks are stated at the lower of cost and net realisable value, after provisions are made in respect of obsolete and slow moving items on a category-by-category basis.

Cost of raw materials, consumables and goods for resale is based on purchased cost on a first-in, first-out basis.

Cost of finished goods is based on the cost of direct materials on a first-in, first-out basis. In the case of goods of own manufacture, cost includes the relevant proportion of works overheads.

Net realisable value is the estimated selling price less all further costs to complete and sell.

At each reporting date, inventories are assessed for impairment. If inventory is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

TREND FINCO LIMITED

Notes forming part of the financial statements for the year ended 31 December 2020 *(continued)*

1 Accounting policies *(continued)*

Financial assets

Financial assets, other than investments, are initially measured at transactions price 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.

Operating leases

All leases are operating leases. Their annual rentals are charged to profit or loss on a straight-line basis over the term of the lease.

Holiday pay accrual

A liability is recognised to the extent of any unused holiday pay entitlement which has accrued at the financial reporting date and carried forward to future periods. This is measured at the undiscounted salary cost of the future holiday entitlement so accrued at the financial reporting date.

Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or 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 reporting date.

Deferred balances are recognised in respect of all timing differences that have originated but not reversed by the financial reporting date, except:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where timing differences relate to interests in subsidiaries and the Group can control their reversal and such reversal is not considered probable in the foreseeable future.

Deferred tax balance are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax.

Deferred income tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

TREND FINCO LIMITED

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

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

The preparation of the financial statements requires management to make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, be likely to differ from the related actual results.

Estimates and judgements are continually evaluated and are based on historical experience and other relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these financial statements, the directors have made the following judgements:

- Determine whether there are indicators of impairment of the Group's intangible and tangible fixed assets. Factors taken into consideration in reaching such a decision include the economic viability and expected future financial performance of the asset and where it is a component of a larger cash-generating unit, the viability and expected future performance of that unit.
- Determine whether the expenditure incurred relating to the development of new products will give rise to future economic benefit and whether it meets the criteria required for capitalisation.
- Determine whether leases entered into by the Company as a lessee are operating or finance leases. These decisions depend on an assessment of whether the risks and rewards of ownership have been transferred from the lessor to the lessee on a lease by lease basis.

Other key sources of estimation uncertainty

- *Intangible assets (see note 9)*

Intangible assets are amortised over their estimated useful lives. The actual lives of the assets are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account.

- *Tangible fixed assets (see note 10)*

Tangible fixed assets are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

- *Stock (see note 12)*

Stock held is reviewed for impairment on an annual basis and provision made for any items where there is uncertainty that they can be sold. Judgement is made as to whether the stock is slow and obsolete and impaired accordingly.

- *Deferred tax (see note 16)*

Unrelieved taxation losses are reviewed for recoverability on an annual basis together with taxable profits earned and forecast to be earned in the relevant trades for which deferred tax assets would be recognised. Management estimate the extent to which they consider the likelihood of utilisation of taxation losses in the future to be probable.

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 *(continued)*

3 Analysis of turnover

	Year ended 31 December 2020 £'000	13 months ended 31 December 2019 £'000
Analysis of turnover by country of destination:		
Germany	4,402	3,980
United States of America	2,306	2,498
France	1,690	2,235
United Kingdom	1,471	1,743
Rest of Europe	2,096	2,925
Rest of World	1,376	1,071
	13,341	14,452

4 Operating loss

	Year ended 31 December 2020 £'000	13 months ended 31 December 2019 £'000
This is arrived at after charging/(crediting):		
Research & Development	1,624	794
R&D Tax credits	(110)	(51)
Amortisation of intangible assets	3,897	3,822
Depreciation of tangible fixed assets	176	76
Fees payable to the Company's auditors and its associates for the audit of the Company's annual accounts	7	8
Fees payable to the Company's auditor and its associates for the audit of the Company's subsidiaries pursuant to legislation	69	99
Exchange differences	125	243
Hire of plant and machinery (excluding operating leases)	14	1
Other operating lease rentals	260	240
	13,341	14,452

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 *(continued)*

5 Interest payable and similar charges

	Year ended 31 December 2020 £'000	13 months ended 31 December 2019 £'000
Interest payable to related parties	129	258
Interest on bank loan	370	356
Interest on loan note	1,493	1,367
Interest payable on other loans	14	-
	2,006	1,981

6 Employees

	Year ended 31 December 2020 £'000	13 months ended 31 December 2019 £'000
Staff costs consist of:		
Wages and salaries	3,515	2,469
Social security costs	422	363
Cost of defined contribution scheme	193	161
	4,130	2,993

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

	Year ended 31 December 2020 Number	13 months ended 31 December 2019 Number
Production	5	4
Design and Development	11	11
Sales and marketing	16	10
Administration	27	21
	59	46

The Company had no employees during the current year and therefore no employee costs.

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 (*continued*)

7 Directors' remuneration

	Year ended 31 December 2020 £'000	13 months ended 31 December 2019 £'000
Directors' emoluments	131	-
Contributions to money purchase pension schemes	10	-
	<u>141</u>	<u>-</u>

For the Group, the key management personnel during the year are considered to include statutory and non-statutory directors, who together have the authority and responsibility for planning, directing and controlling the activities of the Group.

8 Taxation on profit on ordinary activities

	Group Year ended 31 December 2020 £'000	Group Year ended 31 December 2020 £'000	Group 13 months ended 31 December 2019 £'000	Group 13 months ended 31 December 2019 £'000
<i>Current tax</i>				
UK corporation tax for the year		-		-
Current tax on foreign income for the year		55		89
Adjustments in respect of previous periods on foreign taxation		24		-
		<u>79</u>		<u>89</u>
<i>Deferred tax</i>				
Origination and reversal of timing differences	(158)		(602)	
Adjustments in respect of previous periods	67		-	
	<u>67</u>	<u>(91)</u>	<u>602</u>	<u>(602)</u>
Taxation on loss for the year		<u>(12)</u>		<u>(513)</u>

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 *(continued)*

8 Taxation on profit on ordinary activities (continued)

Reconciliation of current tax credit

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

	Year ended 31 December 2020 £'000	13 months ended 31 December 2019 £'000
Loss on ordinary activities before tax	(3,913)	(3,542)
Loss on ordinary activities at the standard rate of corporation tax in the UK of 19% (2019 - 19%)	(743)	(673)
Effects of:		
Expenses not deductible for tax purposes	112	29
Fixed asset difference	224	286
Other permanent differences	(27)	3
RDEC	(3)	-
Group Relief surrendered	16	25
Difference in tax rates – overseas tax	9	10
Adjustment to deferred tax in respect to changes in tax rates	(139)	(20)
Deferred tax not recognised	448	(173)
Adjustment in respect of previous periods	91	-
Total tax credit for year	(12)	(513)

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 (*continued*)

9 Intangible assets

Group	Development Costs £'000	Developed Technology £'000	IPR&D £'000	Customer Relationships £'000	Trade Names £'000	Goodwill on Consolidation £'000	Total £'000
<i>Valuation</i>							
At 1 January 2020	524	7,529	5,858	2,746	831	10,983	28,471
Additions	540	-	-	-	-	-	540
At 31 December 2020	1,064	7,529	5,858	2,746	831	10,983	29,011
<i>Amortisation</i>							
At 1 January 2020	51	1,506	837	275	55	1,098	3,822
Provision for year	126	1,506	837	275	55	1,098	3,897
At 31 December 2020	177	3,012	1,674	550	110	2,196	7,719
<i>Net book value</i>							
At 31 December 2020	887	4,517	4,184	2,196	721	8,787	21,292
At 31 December 2019	473	6,023	5,021	2,471	776	9,885	24,649

The Company does not hold any intangible fixed assets.

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 *(continued)*

10 Tangible fixed assets

Group	Assets in course of construction £'000	Fixtures and fittings £'000	Computer equipment £'000	Plant and equipment £'000	Total £'000
<i>Cost</i>					
At 1 January 2020	110	83	82	418	693
Additions	69	5	21	157	252
Disposals	-	-	(2)	-	(2)
Transfer	(110)	-	110	-	-
At 31 December 2020	69	88	211	575	943
<i>Depreciation</i>					
At 1 January 2020	-	17	24	35	76
Provision for year	-	28	65	83	176
Disposal	-	-	(2)	-	(2)
At 31 December 2020	-	45	87	118	250
<i>Net book value</i>					
At 31 December 2020	69	43	124	457	693
At 31 December 2019	110	66	58	383	617

The Company does not hold any tangible fixed assets.

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 *(continued)*

11	Fixed asset investments	£'000
	Acquisition of TREND Midco Limited	1

Principal investments

The undertakings in which the Company's interest at year end is 20% or more are as follows:

	Country of Incorporation	Class of share	% of share capital held	Nature of business
Directly owned				
TREND Midco Limited	United Kingdom	Ordinary	100%	Management
Indirectly owned				
TREND Bidco Limited	United Kingdom	Ordinary	100%	Management
TREND Networks Limited	United Kingdom	Ordinary	100%	Trading
IDEAL Industries GmbH	Germany	Ordinary	100%	Trading
IDEAL Industries SAS	France	Ordinary	100%	Trading
ID Networks US LLC	United States	Ordinary	100%	Trading

All trading businesses are principally engaged in the sale of equipment for the use in the installation and maintenance of LAN/WAN networks.

Registered office address:

TREND Midco Limited	Stokenchurch House, Oxford Road, Stokenchurch, High Wycombe, Buckinghamshire, United Kingdom, HP14 3SX
TREND Bidco Limited	Stokenchurch House, Oxford Road, Stokenchurch, High Wycombe, Buckinghamshire, United Kingdom, HP14 3SX
TREND Networks Limited	Stokenchurch House, Oxford Road, Stokenchurch, High Wycombe, Buckinghamshire, United Kingdom, HP14 3SX
IDEAL Industries GmbH	Gutenbergergsrasse, 10, Ismaning, D-85737, Germany
IDEAL Industries SAS	Burospace-Batiment 23, Route de Gisy, Bievers, Cedex 91571, France
ID Networks US LLC	300 Roundhill Drive, Suite 1, Rockaway, NJ-07866, USA

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 *(continued)*

12 Stocks

	Group 2020 £'000	Group 2019 £'000
Raw materials and consumables	538	589
Finished goods	982	1,174
	1,520	1,763

The Company does not hold any stock.

13 Debtors

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade debtors	2,186	2,332	-	-
Amounts owed from group undertakings	-	-	24,191	24,100
Corporation tax	41	20	-	-
Deferred tax	571	958	-	-
R&D tax credit	110	51	-	-
VAT	205	138	-	-
Other debtors	-	97	-	-
Prepayments and accrued income	393	425	-	-
	3,506	4,021	24,191	24,100

Trade Debtors are stated after provisions for impairment of £37k (2019 - £54k).

All amounts shown under debtors fall due for payment within one year. Amounts owed from group undertakings are unsecured and the principal attracts interest at the quarterly REPO rate of the European Central Bank plus 0.75% interest, as per other inter group loans. These loans have no fixed repayment date.

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

14 Creditors: amounts falling due within one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Trade creditors	1,667	1,239	-	-
Amounts owed to group undertakings	13,054	13,060	13,054	13,060
Other creditors	2,874	1,423	2,860	1,371
Accruals and deferred income	1,043	878	10	-
Other taxes and social security	204	111	-	-
Deferred tax	2,080	2,558	-	-
	<u>20,922</u>	<u>19,269</u>	<u>15,924</u>	<u>14,431</u>

15 Creditors: amounts falling after more than one year

	Group 2020 £'000	Group 2019 £'000	Company 2020 £'000	Company 2019 £'000
Bank loans	7,593	7,995	-	-
Loan note	11,029	11,029	11,029	11,029
	<u>18,622</u>	<u>19,024</u>	<u>11,029</u>	<u>11,029</u>

The loan note is unsecured, the principal attracts interest at 12% and is repayable on 20 December 2028. The loan notes are held by CPBE Capital LLP. The interest charged for the year was £1,493k.

Group loans, presented as "Amounts owed to group undertakings", are unsecured and the principal attracts interest at the quarterly REPO rate of the European Central Bank plus 0.75% interest, as per other inter group loans. These loans have no fixed repayment date. The balance at 31 December 2020 includes £122k of accrued interest.

On 11 March 2019, TREND Bidco Limited, an indirect subsidiary of TREND Finco Limited, on behalf of the Group, borrowed funds from HSBC Bank plc under two term loans of £5,200k and £3,400k and agreed a revolving credit facility (RCF) of £2m.

The bank loans are secured by a Group Debenture and a Cross Company Composite Guarantee.

The Group Debenture charge is over TREND Bidco Limited, TREND Midco Limited and TREND Networks Limited.

The Cross Company Composite Guarantee is in relation to TREND Midco Limited, TREND Bidco Limited and TREND Networks Limited, a New York Law Pledge Agreement, a New York Law Collateral Agreement, a German Law Account Pledge Agreement, a German Law Global Assignment Agreement and a share of EUR 1,000,000 in IDEAL Industries GmbH given by TREND Bidco Limited.

The arrangement and issue of the bank loan incurred costs of £741k. Both the term loans and the revolving credit facility (RCF) balances accrue interest at the rate of LIBOR plus a margin based on the Total debt to EBITDA ratio.

TREND FINCO LIMITED

Notes forming part of the financial statements for the year ended 31 December 2020 (continued)

15 Creditors: amounts falling after more than one year (continued)

The Facility A term loan has a repayment schedule over 5 years. As at 31 December 2020 the balance owing is £2,805k and all interest due for the year has been paid.

The Facility B term loan has a six year term with repayment on the termination date. As at 31 December 2020 the balance owing is £5,200k and all interest due for the year has been paid.

The RCF, once drawn, is repayable on the last day of its interest year which is agreed at the point of borrowing.

Maturity of debt:	Bank loans 2020 £'000	Bank loans 2019 £'000
In one year or less, or on demand	765	510
In more than one year but not more than two years	1,020	765
In more than two years but not more than five years	1,020	2,040
In more than five years	5,200	5,200
	8,005	8,515
Unamortised financing costs attributable to Bank loans	(412)	(520)
	7,593	7,995

16 Deferred taxation

Unrelieved taxation losses remain available to offset against future taxable profits of the same trade to which the losses originate. The directors believe it is appropriate to recognise a deferred tax asset in these financial statements for trading losses in TREND Networks Limited within the Group as taxable profits have been achieved in this entity for the relevant trades. The directors do not believe it is appropriate to recognise a deferred tax asset in these financial statements for the other relevant trades of the Group. Should suitable taxable profits arise, these losses would represent an additional deferred tax asset of approximately £0.4m.

Deferred tax assets/(liabilities)

	Group 2020 £'000
At 1 January 2020	(1,600)
Credited/(charged) to profit or loss	(387)
Deferred tax on differences between fair values and tax bases	478
	(1,509)
At 31 December 2020	(1,509)

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 *(continued)*

16 Deferred taxation (continued)	Group 2020 £'000	Group 2019 £'000
The deferred tax balance is made up as follows:		
Deferred tax asset		
Fixed asset timing differences	75	70
Short term timing differences	21	297
Losses and other deductions	475	591
	571	958
Deferred tax liability		
Deferred tax on differences between fair values and tax bases	2,080	2,558
	2,080	2,558

17 Commitments

Operating Leases

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

	Land and buildings 2020 £'000	Other 2020 £'000	Land and buildings 2019 £'000	Other 2019 £'000
Not later than 1 year	241	22	229	22
Later than 1 year and not later than 5 years	224	30	294	29
	465	52	523	51
Total	465	52	523	51

The Group had £nil of capital commitments contracted not provided as at 31 December 2020.

The Company had no operating leases and £nil of capital commitments contracted and not provided as at 31 December 2020.

TREND FINCO LIMITED

Notes forming part of the financial statements
for the year ended 31 December 2020 (continued)

18 Capital and reserves

	2020	2019
	£	£
<i>Allocated, called up and fully paid</i>		
1 Ordinary share of £1 each	1	1
	<u>1</u>	<u>1</u>

The Group and Company's reserves are as follows:

- Called up share capital reserve represents the nominal value of the shares issued.
- Profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

19 Analysis of changes in net debt

	At 1 January 2019 £'000	Cash flow £'000	Non cash flow £'000	Exchange movement £'000	At 31 December 2020 £'000
Cash at bank and in hand	3,982	1,445	-	127	5,554
Loan from parent undertaking	(13,060)	135	(129)	-	(13,054)
Loan Note	(11,029)	-	-	-	(11,029)
Bank loans due in more than one year	(7,995)	510	(108)	-	(7,593)
	<u>(28,102)</u>	<u>2,090</u>	<u>(237)</u>	<u>127</u>	<u>(26,122)</u>

Non-cash changes relate to interest charged on the loan from parent undertaking and bank loans due in more than one year.

20 Related party

The company has taken advantage of the exemption under FRS 102 section 33 paragraph 1A from disclosing transactions with wholly owned Group entities.

21 Ultimate control party and immediate parent company

The largest group of undertakings for which consolidated financial statements will be drawn up is that headed by TREND Topco Limited, the ultimate and immediate parent company. TREND Topco Limited, a company incorporated in Jersey, has a registered address of 28 Esplanade, St. Helier, Jersey, JE4 2QP.

At 31 December 2020, CBPE Capital LLP is considered the ultimate controlling party.

22 Post balance sheet events

Subsequent to the year end, on 9 April 2021, the group incorporated T Networks LLC in the USA, as a subsidiary of ID Networks LLC. On 5 May 2021, T Networks LLC acquired 100% of the assets of Terahertz Technologies Inc, a company incorporated in New York, USA.