

REGISTERED NUMBER: 01080012 (England and Wales)

**RETRAC PRODUCTIONS LIMITED  
STRATEGIC REPORT,  
REPORT OF THE DIRECTORS AND  
AUDITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
30 NOVEMBER 2020**

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**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)**

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FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**RETRAC PRODUCTIONS LIMITED**  
**COMPANY INFORMATION**  
**FOR THE YEAR ENDED 30 NOVEMBER 2020**

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<b>DIRECTORS:</b>	Mrs I Carter Mr A J Carter Mr R A Carter Mr A Carter Mr N E Owen
<b>SECRETARY:</b>	Mrs I Carter
<b>REGISTERED OFFICE:</b>	Unit 3-5 Techno Trading Estate SWINDON Wiltshire SN2 8HB
<b>REGISTERED NUMBER:</b>	01080012 (England and Wales)
<b>AUDITORS:</b>	Morris Owen Statutory Auditors 43-45 Devizes Road SWINDON Wiltshire SN1 4BG
<b>BANKERS:</b>	Lloyds Bank Plc 5 High Street SWINDON Wiltshire SN1 3EN



**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

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The directors present their strategic report for the year ended 30 November 2020.

The Company has seen a reduction of 7% in turnover compared to year ended 30th November 2019. Volume of customers has reduced slightly this year, due to non-repetitive projects undertaken in 2019 as well as the impact of Covid-19, however the Company also took on a couple of new customers during the year for smaller projects. The Company has continued with Aerospace and Formula 1 work during the year but has seen a large increase in Automotive work, specifically relating to power unit components for a Hypercar that commenced in early 2020 and is still ongoing. General engineering work and Formula E work has been sustained throughout the year, however revenue in each of these industries is less than 5% each of total revenue.

**PERFORMANCE AND POSITION OF THE COMPANY**

In our Review of Business for the previous year, the Company had anticipated turnover and profits to be reduced in 2020 due to the economic downturn caused by the global Covid-19 pandemic. Formula 1 work stopped during March 2020 as races were postponed due to the Government 'lockdown'. Racing recommenced in July 2020 which had an impact on the timing of Formula 1 work being required and delivered. The Company continued to trade and did not close during the Government 'lockdown' period. Staff numbers were heavily reduced, and the Company took advantage of the Government's CJRS scheme due to a reduction in work capacity from March 2020 onwards. However, staff did return periodically as work started to increase throughout the year. With the effects of the global pandemic still ongoing, the Company continues to monitor and assess the risks daily to manage work capacity and the safeguarding of all staff.

Turnover reached an all-time high during 2019, but we were unable to sustain this level during 2020, with a decrease of 7%, (£6.65 million to £6.17 million). Gross profit has decreased from £2.51m to £2.19m resulting in an overall margin decrease of 2.2%. The Operating Profit has decreased by 20% this year, from £1,144K to £910K, with an increase in overhead costs of 7.8%. The Company received £189K during the year from the HM Revenue & Customs Coronavirus Job Retention Scheme in respect of employees placed on furlough leave during the year. Profit Before Taxation, has shown a decrease of 30% since 2019, from £1,147K to £799K. Considering the impact of the pandemic, the directors are still pleased with the results for the year and feel that the Company has shown its resilience during a difficult and uncertain year. The global impact of Covid is still ongoing however the directors are hopeful that turnover and profit will increase in 2021.

Due to the considerable investment made during 2019 in capital assets, to include 5 additional machines purchased to improve efficiency and keep up with technological advances, minimal investment was made during 2020. There are no current plans to invest in any additional machinery at this time, however, this could change dependant on future orders, capacity, and the capability of current machinery. The Company continue to replace office and computer equipment and has committed post year end to implement a new Production Control software programme to streamline the reporting function across the Company and improve all areas of efficiency.

The Company has recently gone through a restructuring process due to retirement considerations of the existing Directors. Retrac Composites Limited, previously an associated Company due to common control, is now a wholly owned subsidiary of Retrac Productions Limited, which was achieved by a share for share exchange. An offshore Employee Ownership Trust was set up in March 2021 with the Company shareholding now owned wholly by the Retrac Employee Ownership Trust giving Retrac employees a chance to share in the future success of the business. The Group has a new Chief Executive Officer, Mr D Walmsley, and the existing Managing Director of the Company, Mr A Carter, will now become Chairman of the Group, with all other directors being able to phase out their roles in the near future.





**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**PERFORMANCE AND POSITION OF THE COMPANY (CONTINUED)**

The directors have recently had a property valuation carried specifically for financing the Company restructure. This resulted in a decrease of £93,386 of the investment property as at 30 November 2020, and a corresponding decrease in deferred tax of £17,743 as at 30 November 2020.

The dividends voted for 2020 were £353,468 which was a 14% decrease compared to the previous year due to the reduced level of profits made during the year.

There have been some changes to staffing during 2020 with overall employee numbers increasing by an average of 6 since 2019. A new apprentice was employed in early 2020, together with two night-shift workers, a trainee and labourer were also employed in Unit 1A. A permanent Health & Safety advisor was employed during the year and there have been a couple of internal job role changes for existing employees resulting in an additional Project Manager. An external recruitment agency was used to fill a couple of these roles. There has been 1 redundancy made during the year due to the downturn in work relating to a Process Engineer. The Company also used a Quality Inspector contractor during the second government 'lockdown' due to an existing employee being unable to work as was considered vulnerable due to underlying health condition. Two additional Quality Inspectors have been employed in early 2021 and a Commercial Manager has recently been employed with one further redundancy made this year. There are currently no plans to increase staff levels.

The main risk that the Company faces is always due to customer demand and being able to forecast a longer-term sales pipeline. Whilst Brexit has not previously been a major concern to the Company there is still some uncertainty as to the future affect that this may have on the Group. However, the directors do feel positive following the Company's resilience during this difficult year. With the recent Group restructure and addition of the new CEO, the directors are expectant that this will push the Retrac Group into the future, looking forward to gaining new customer relationships and are excited for the prospects that lay ahead. The Company will continue to try and diversify work during 2021 between Aerospace, Formula 1 & Formula E and the Automotive Industry as well as trying to break into other Industries as the Group moves forward into its next phase.

The Company will continue to monitor and control its costs in every area possible and do not consider potential price increases a significant concern at this time. With the implementation of the new Production Control software, the directors are confident that this will be an area that can be reported on with better precision in the future to assist with efficiency.

Retrac Productions Ltd strive to maintain excellent working relationships with all their customers and continue to offer high quality products achieved in very short lead times to meet and even exceed customer demand. This professional level of service given to our customers helps to build on our already strong reputation within the Precision Engineering Industry and to ensure that we are considered a first-choice supplier in amongst our competitors.

**FUTURE DEVELOPMENTS AND RESEARCH AND DEVELOPMENT**

Since the year end the Company has continued with its ongoing power unit components for the Hypercar project and is expecting this to be completed in quarter 3 of this financial year. The Company has also been named as a 'single source' supplier for an existing customer for Airbourne Early Warning & Control design work which is being converted into tool manufacture through from quarter 2 and will continue through to the end of the year on a competitive tender process where we are favoured for more complex fixture work. The Group are involved with the next phase of an Ultra Fan project which will be released for design in May 2021 with manufacture to follow on immediately after customer approval. The Group is in the process of marketing itself following the restructure and is confident that this will lead to new customer relationships with exciting prospects.



**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**FUTURE DEVELOPMENTS AND RESEARCH AND DEVELOPMENT (CONTINUED)**

The Company continue with Research and Development by undertaking extensive trials to develop innovative manufacturing techniques to produce motorsport products which push the boundaries of composites materials and improve the manufacturing processes for the production of tooling and car components to increasingly high tolerances for the F1 sector.

**ON BEHALF OF THE BOARD:**

Mr A J Carter - Director

28 May 2021



**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)**

**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

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The directors present their report with the financial statements of the company for the year ended 30 November 2020.

**PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of precision engineers.

**DIVIDENDS**

The total distribution of dividends for the year ended 30 November 2020 will be £ 353,468 .

**EVENTS SINCE THE END OF THE YEAR**

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

**DIRECTORS**

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

Mrs I Carter  
Mr A J Carter  
Mr R A Carter  
Mr A Carter  
Mr N E Owen

**STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

**STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he or she ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**ON BEHALF OF THE BOARD:**

Mr A J Carter - Director

28 May 2021



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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
RETRAC PRODUCTIONS LIMITED**

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**Opinion**

We have audited the financial statements of Retrac Productions Limited (the 'company') for the year ended 30 November 2020 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and Notes to the Statement of Cash Flows, Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 November 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

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

**Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors thereon.

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

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

**Opinions on other matters prescribed by the Companies Act 2006**

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

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





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**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
RETRAC PRODUCTIONS LIMITED**

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**Matters on which we are required to report by exception**

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

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

- adequate accounting records have not been kept, 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 Statement of Directors' Responsibilities set out on page five, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

**Auditors' responsibilities for the audit of the financial statements**

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

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

**Use of our report**

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

Alan John Barlow (Senior Statutory Auditor)  
for and on behalf of Morris Owen  
Statutory Auditors  
43-45 Devizes Road  
SWINDON  
Wiltshire  
SN1 4BG

28 May 2021



## RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 NOVEMBER 2020

	Notes	2020 £	2019 £
<b>TURNOVER</b>	3	<b>6,170,195</b>	6,645,115
Cost of sales		<u>3,979,951</u>	<u>4,138,032</u>
<b>GROSS PROFIT</b>		<b>2,190,244</b>	2,507,083
Administrative expenses		<u>1,509,341</u>	<u>1,400,765</u>
		<b>680,903</b>	1,106,318
Other operating income		<u>229,255</u>	<u>37,786</u>
<b>OPERATING PROFIT</b>	5	<b>910,158</b>	1,144,104
Interest receivable and similar income		<u>3,039</u>	<u>6,072</u>
		<b>913,197</b>	1,150,176
Gain/loss on revaluation of investments		<u>(93,386)</u>	<u>-</u>
		<b>819,811</b>	1,150,176
Interest payable and similar expenses	6	<b>20,566</b>	3,132
<b>PROFIT BEFORE TAXATION</b>		<u><b>799,245</b></u>	<u>1,147,044</u>
Tax on profit	7	<u>52,902</u>	<u>74,720</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>746,343</b>	1,072,324
<b>OTHER COMPREHENSIVE INCOME</b>		<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<u><b>746,343</b></u>	<u>1,072,324</u>



## RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)

STATEMENT OF FINANCIAL POSITION  
30 NOVEMBER 2020

	Notes	2020		2019	
		£	£	£	£
<b>FIXED ASSETS</b>					
Tangible assets	9		3,531,667		3,918,269
Investment property	10		<u>342,732</u>		<u>436,118</u>
			<b>3,874,399</b>		<b>4,354,387</b>
<b>CURRENT ASSETS</b>					
Stocks	11	914,206		401,764	
Debtors	12	1,091,671		1,029,027	
Cash at bank and in hand		<u>2,419,073</u>		<u>1,576,919</u>	
		<b>4,424,950</b>		<b>3,007,710</b>	
<b>CREDITORS</b>					
Amounts falling due within one year	13	<u>1,628,589</u>		<u>1,439,203</u>	
<b>NET CURRENT ASSETS</b>			<u><b>2,796,361</b></u>		<u><b>1,568,507</b></u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<b>6,670,760</b>		<b>5,922,894</b>
<b>CREDITORS</b>					
Amounts falling due after more than one year	14		<b>(781,728)</b>		<b>(373,514)</b>
<b>PROVISIONS FOR LIABILITIES</b>	18		<u><b>(340,229)</b></u>		<u><b>(393,452)</b></u>
<b>NET ASSETS</b>			<u><u><b>5,548,803</b></u></u>		<u><u><b>5,155,928</b></u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	19		<b>60,810</b>		<b>60,810</b>
Retained earnings	20		<u><b>5,487,993</b></u>		<u><b>5,095,118</b></u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u><b>5,548,803</b></u></u>		<u><u><b>5,155,928</b></u></u>

The financial statements were approved by the Board of Directors and authorised for issue on 28 May 2021 and were signed on its behalf by:

Mr A J Carter - Director



RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 NOVEMBER 2020

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 December 2018</b>	60,810	4,432,353	4,493,163
<b>Changes in equity</b>			
Dividends	-	(409,559)	(409,559)
Total comprehensive income	-	1,072,324	1,072,324
<b>Balance at 30 November 2019</b>	<u>60,810</u>	<u>5,095,118</u>	<u>5,155,928</u>
<b>Changes in equity</b>			
Dividends	-	(353,468)	(353,468)
Total comprehensive income	-	746,343	746,343
<b>Balance at 30 November 2020</b>	<u>60,810</u>	<u>5,487,993</u>	<u>5,548,803</u>





## RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 NOVEMBER 2020

		2020	2019
		£	£
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	963,755	1,885,742
Interest paid		(1,626)	(91)
Interest element of hire purchase payments paid		(20,382)	(3,131)
Tax paid		92,981	(116,190)
Net cash from operating activities		<u>1,034,728</u>	<u>1,766,330</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(93,692)	(804,606)
Sale of tangible fixed assets		1,683	16,700
Interest received		3,039	6,072
Net cash from investing activities		<u>(88,970)</u>	<u>(781,834)</u>
<b>Cash flows from financing activities</b>			
New loans in year		500,000	-
Capital repayments in year		(299,669)	(157,679)
Amount introduced by directors		364,514	421,517
Amount withdrawn by directors		(314,981)	(328,595)
Equity dividends paid		(353,468)	(409,559)
Net cash from financing activities		<u>(103,604)</u>	<u>(474,316)</u>
<b>Increase in cash and cash equivalents</b>		<u>842,154</u>	<u>510,180</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>1,576,919</u>	<u>1,066,739</u>
<b>Cash and cash equivalents at end of year</b>	2	<u><u>2,419,073</u></u>	<u><u>1,576,919</u></u>



## RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)

NOTES TO THE STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 NOVEMBER 2020

## 1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

	2020	2019
	£	£
Profit before taxation	799,245	1,147,044
Depreciation charges	478,255	357,916
Loss/(profit) on disposal of fixed assets	356	(13,849)
Loss on revaluation of fixed assets	93,386	-
Finance costs	20,566	3,132
Finance income	(3,039)	(6,072)
	<u>1,388,769</u>	<u>1,488,171</u>
Increase in stocks	(512,442)	(47,702)
(Increase)/decrease in trade and other debtors	(167,131)	133,166
Increase in trade and other creditors	254,559	312,107
<b>Cash generated from operations</b>	<u>963,755</u>	<u>1,885,742</u>

## 2. CASH AND CASH EQUIVALENTS

The amounts disclosed on the Statement of Cash Flows in respect of cash and cash equivalents are in respect of these Statement of Financial Position amounts:

**Year ended 30 November 2020**

	30.11.20	1.12.19
	£	£
Cash and cash equivalents	<u>2,419,073</u>	<u>1,576,919</u>

**Year ended 30 November 2019**

	30.11.19	1.12.18
	£	£
Cash and cash equivalents	<u>1,576,919</u>	<u>1,066,739</u>

## 3. ANALYSIS OF CHANGES IN NET FUNDS

	At 1.12.19	Cash flow	At 30.11.20
	£	£	£
<b>Net cash</b>			
Cash at bank and in hand	<u>1,576,919</u>	<u>842,154</u>	<u>2,419,073</u>
	<u>1,576,919</u>	<u>842,154</u>	<u>2,419,073</u>
<b>Debt</b>			
Finance leases	(586,085)	5,892	(580,193)
Debts falling due within 1 year	-	(16,667)	(16,667)
Debts falling due after 1 year	-	(483,333)	(483,333)
	<u>(586,085)</u>	<u>(494,108)</u>	<u>(1,080,193)</u>
<b>Total</b>	<u>990,834</u>	<u>348,046</u>	<u>1,338,880</u>



**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**1. GENERAL INFORMATION**

The company is a private company limited by shares and incorporated in England and Wales.

The registered office address is Unit 3-5 Techno Trading Estate, Swindon, Wiltshire, SN2 8HB.

These financial statements are presented in British Pounds (GBP) rounded to the nearest pound, which is the company's functional and presentational currency.

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention as modified by the revaluation of certain assets.

During the year the World Health Organization declared the spread of the Coronavirus (Covid-19) a worldwide pandemic. The pandemic is still having significant effects on global markets, supply chains, businesses and communities. Specific to the company, the onset of Covid-19 resulted in a reduction in activity levels and profitability. However, trading levels improved gradually as the year progressed and the company has returned to operating levels close to those which existed pre the pandemic. The directors believe the company is taking appropriate actions to mitigate any further negative impact and they are very optimistic that the company can remain profitable into the future. The full impact of Covid-19 is however still unknown and cannot be reasonably estimated as these events continue to develop.

**Significant judgements and estimates**

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The following estimates have had the most significant effect on amounts recognised in the financial statements:

**- Work in progress**

The significant judgements are in estimating the value of a contract at the year end, using costs directly attributable to the job being comprised of direct labour, raw materials and other direct costs.

**-Long-term funded contracts**

Where the outcome of a contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the balance sheet date. The Company uses the 'percentage of completion method' to determine the appropriate amount to recognise in a given period. The assessment of the stage of completion is dependent on the nature of the contract, but will generally be based on the estimated proportion of the total contract costs which have been incurred to date. If a contract is expected to be loss-making, a provision is recognised for the entire loss.

-Determine whether leases entered into by the company as a lessee are operating leases 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.

- Determine the period of useful economic life and any residual value of all tangible fixed assets order to write off the value of each asset over that period.

- Determine an appropriate provision for bad and doubtful debts by assessing the recoverability of all balances on a balance by balance basis.

- Determine an appropriate provision for obsolete and slow moving stocks by assessing the net realisable value of all stock lines on a line by line basis.



**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

**2. ACCOUNTING POLICIES - continued**

**Turnover**

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents net invoiced sales of goods, excluding value added tax with exception of long term contracts under which revenue is recognised by reference to the stage of completion of each contract where the outcome of the contract can be estimated reliably and the contract is expected to be profitable.

Where the outcome of the contract can not be estimated reliably, revenue is recognised only to the extent of recoverable contract costs incurred. An expected loss on a contract is recognised as soon as such loss is probable.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is the shorter.

Freehold property	- 2% on cost
Improvements to property	- 5% on cost
Plant and machinery	- 15%/50% on reducing balance
Fixtures and fittings	- 15% on reducing balance
Motor vehicles	- 25% on reducing balance
Office and computer equipment	- 33% on cost and 15% on reducing balance

No depreciation is provided for on the freehold property. The directors believe that the property is in good working condition which holds its value and it is therefore not appropriate to provide for depreciation.

**Government grants**

During the year, the company became eligible for grants under the Coronavirus Job Retention Scheme (CJRS) and the Coronavirus Statutory Sick Pay Rebate Scheme. The respective amounts receivable of £189,184 and £1,383 has been accounted for under the accruals basis.

**Investment property**

Investment property is shown at most recent valuation. Any aggregate surplus or deficit arising from changes in fair value is recognised in profit or loss.

**Stocks**

Stocks and work in progress are valued at the lower of cost and net realisable value on a first-in first-out basis, after making due allowance for obsolete and slow moving items.

Cost includes all direct expenditure and an appropriate proportion of fixed and variable overheads.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the statement of financial position date.





**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the statement of financial position date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Hire purchase and leasing commitments**

Assets held under hire purchase agreements are capitalised and disclosed under tangible fixed assets at their fair value. The capital element of the future payments is treated as a liability and the interest is charged to the profit and loss account at a constant rate of charge on the balance of capital repayments outstanding.

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

**Pension costs and other post-retirement benefits**

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**Financial instruments**

Financial instruments are classified by the directors as basic or advanced following the conditions in FRS 102 section 11. Basic financial instruments are recognised at amortised cost using the effective interest method. The only advanced instruments recognised by the company are derivatives. Derivative financial instruments are initially recorded at cost and thereafter at fair value with changes recognised in arriving at profit before tax. Any derivative assets would be included in other debtors and derivative liabilities would be included in other creditors.

**3. TURNOVER**

The turnover and profit before taxation are attributable to the one principal activity of the company.

**4. EMPLOYEES AND DIRECTORS**

	2020	2019
	£	£
Wages and salaries	2,900,921	2,675,784
Social security costs	325,039	304,527
Other pension costs	<u>151,024</u>	<u>137,705</u>
	<u>3,376,984</u>	<u>3,118,016</u>



**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020****4. EMPLOYEES AND DIRECTORS - continued**

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

	2020	2019
Directors	5	5
Administrative	8	7
Direct	<u>55</u>	<u>50</u>
	<u>68</u>	<u>62</u>

	2020	2019
	£	£
Directors' remuneration	259,180	267,887
Directors' pension contributions to money purchase schemes	<u>56,959</u>	<u>56,624</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>3</u>	<u>3</u>
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Information regarding the highest paid director is as follows:

	2020	2019
	£	£
Emoluments etc	92,396	91,519
Pension contributions to money purchase schemes	<u>12,587</u>	<u>30,000</u>

**5. OPERATING PROFIT**

The operating profit is stated after charging/(crediting):

	2020	2019
	£	£
Depreciation - owned assets	329,925	283,579
Depreciation - assets on hire purchase contracts	148,330	74,337
Loss/(profit) on disposal of fixed assets	356	(13,849)
Auditors' remuneration	11,400	10,900
Operating lease/rentals - other assets	31,346	33,896
Foreign exchange differences on cost of sales	<u>-</u>	<u>235</u>

**6. INTEREST PAYABLE AND SIMILAR EXPENSES**

	2020	2019
	£	£
Bank interest	-	1
Hire purchase interest & charges	<u>20,566</u>	<u>3,131</u>
	<u>20,566</u>	<u>3,132</u>



## RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

## 7. TAXATION

**Analysis of the tax charge**

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

	2020 £	2019 £
Current tax:		
UK corporation tax	106,125	(11,507)
Under / over provision	-	(64,980)
Total current tax	<u>106,125</u>	<u>(76,487)</u>
Deferred tax	<u>(53,223)</u>	151,207
Tax on profit	<u>52,902</u>	<u>74,720</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020 £	2019 £
Profit before tax	<u>799,245</u>	<u>1,147,044</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	151,857	217,938
Effects of:		
Expenses not deductible for tax purposes	280	251
Capital allowances in excess of depreciation	-	(153,650)
Depreciation in excess of capital allowances	38,879	-
Accelerated capital allowances	(53,223)	151,207
R&D credit for prior years	-	(64,980)
R&D deduction in the year	<u>(84,891)</u>	<u>(76,046)</u>
Total tax charge	<u>52,902</u>	<u>74,720</u>

Included within the corporation tax liability is an amount of £84,891 (2019: £76,046) relating to an R&amp;D claim for qualifying expenditure reducing the corporation tax charge in the accounts.

## 8. DIVIDENDS

	2020 £	2019 £
Interim	<u>353,468</u>	<u>409,559</u>



## RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

## 9. TANGIBLE FIXED ASSETS

	Freehold property £	Improvements to property £	Plant and machinery £
<b>COST</b>			
At 1 December 2019	833,293	345,963	5,998,329
Additions	-	5,259	49,691
Disposals	-	-	(59,752)
At 30 November 2020	<u>833,293</u>	<u>351,222</u>	<u>5,988,268</u>
<b>DEPRECIATION</b>			
At 1 December 2019	24,960	111,037	3,262,444
Charge for year	8,333	14,751	416,645
Eliminated on disposal	-	-	(57,772)
At 30 November 2020	<u>33,293</u>	<u>125,788</u>	<u>3,621,317</u>
<b>NET BOOK VALUE</b>			
At 30 November 2020	<u>800,000</u>	<u>225,434</u>	<u>2,366,951</u>
At 30 November 2019	<u>808,333</u>	<u>234,926</u>	<u>2,735,885</u>

  

	Fixtures and fittings £	Motor vehicles £	Office and computer equipment £	Totals £
<b>COST</b>				
At 1 December 2019	149,290	34,616	201,727	7,563,218
Additions	3,938	-	34,804	93,692
Disposals	-	-	(26,467)	(86,219)
At 30 November 2020	<u>153,228</u>	<u>34,616</u>	<u>210,064</u>	<u>7,570,691</u>
<b>DEPRECIATION</b>				
At 1 December 2019	65,595	24,475	156,438	3,644,949
Charge for year	13,074	2,535	22,917	478,255
Eliminated on disposal	-	-	(26,408)	(84,180)
At 30 November 2020	<u>78,669</u>	<u>27,010</u>	<u>152,947</u>	<u>4,039,024</u>
<b>NET BOOK VALUE</b>				
At 30 November 2020	<u>74,559</u>	<u>7,606</u>	<u>57,117</u>	<u>3,531,667</u>
At 30 November 2019	<u>83,695</u>	<u>10,141</u>	<u>45,289</u>	<u>3,918,269</u>





## RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

## 9. TANGIBLE FIXED ASSETS - continued

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Plant and machinery £
<b>COST</b>	
At 1 December 2019	939,052
Transfer to ownership	<u>1,051</u>
At 30 November 2020	<u>940,103</u>
<b>DEPRECIATION</b>	
At 1 December 2019	148,388
Charge for year	148,330
Transfer to ownership	<u>(142,661)</u>
At 30 November 2020	<u>154,057</u>
<b>NET BOOK VALUE</b>	
At 30 November 2020	<u>786,046</u>
At 30 November 2019	<u>790,664</u>

## 10. INVESTMENT PROPERTY

	Total £
<b>FAIR VALUE</b>	
At 1 December 2019	436,118
Revaluations	<u>(93,386)</u>
At 30 November 2020	<u>342,732</u>
<b>NET BOOK VALUE</b>	
At 30 November 2020	<u>342,732</u>
At 30 November 2019	<u>436,118</u>

Fair value at 30 November 2020 is represented by:

	£
Valuation in 2014	10,000
Valuation in 2015	20,000
Valuation in 2016	180,703
Valuation in 2021	<u>(93,386)</u>
Cost	<u>225,415</u>
	<u>342,732</u>

If the investment property had not been revalued it would have been included at the following historical cost:

	2020 £	2019 £
Cost	<u>225,415</u>	<u>225,415</u>

The investment property was valued on an open market basis on 8 March 2021 by Lambert Smith Hampton .



## RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

<b>11. STOCKS</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Raw materials	<b>218,508</b>	221,259
Work-in-progress	<b>695,698</b>	<u>180,505</u>
	<b><u>914,206</u></b>	<b><u>401,764</u></b>
<b>12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Trade debtors	<b>1,029,189</b>	843,267
Other debtors	<b>6,824</b>	1,354
Corporation tax	-	104,487
Prepayments and accrued income	<b>55,658</b>	<u>79,919</u>
	<b><u>1,091,671</u></b>	<b><u>1,029,027</u></b>
<b>13. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts (see note 15)	<b>16,667</b>	-
Hire purchase contracts (see note 16)	<b>281,798</b>	212,571
Trade creditors	<b>267,627</b>	428,352
Corporation tax	<b>94,619</b>	-
Social security and other taxes	<b>75,159</b>	81,933
VAT	<b>434,245</b>	66,037
Other creditors	<b>11,512</b>	11,319
Directors' current accounts	<b>249,597</b>	200,065
Accruals and deferred income	<b>197,365</b>	<u>438,926</u>
	<b><u>1,628,589</u></b>	<b><u>1,439,203</u></b>
Included within creditors is an amount of £9,208 (2019: £7,911) in relation to outstanding pension contributions.		
<b>14. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR</b>	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Bank loans (see note 15)	<b>483,333</b>	-
Hire purchase contracts (see note 16)	<b>298,395</b>	373,514
	<b><u>781,728</u></b>	<b><u>373,514</u></b>

The terms of repayment and interest rates for the above balance are as follows:

	<b>Repayment terms</b>	<b>Interest rate</b>
Bank loan	Equal instalments commencing November 2021 until September 2026	1.75%
Hire purchase 1	Equal instalments until November 2022	1.48%
Hire purchase 2	Equal instalments until December 2022	1.46%



## RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020

## 15. LOANS

An analysis of the maturity of loans is given below:

	2020 £	2019 £
Amounts falling due within one year or on demand: Bank loans	<u>16,667</u>	<u>-</u>
Amounts falling due between one and two years: Bank loans - 1-5 years	<u>483,333</u>	<u>-</u>

## 16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase 2020 £	contracts 2019 £
Net obligations repayable: Within one year	281,798	212,571
Between one and five years	<u>298,395</u>	<u>373,514</u>
	<u>580,193</u>	<u>586,085</u>

  

	Non-cancellable 2020 £	operating leases 2019 £
Within one year	30,270	11,205
Between one and five years	<u>48,393</u>	<u>9,280</u>
	<u>78,663</u>	<u>20,485</u>



**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)****NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020****17. SECURED DEBTS**

The following secured debts are included within creditors:

	2020 £	2019 £
Bank loans	500,000	-
Hire purchase contracts	<u>580,193</u>	<u>586,085</u>
	<u><b>1,080,193</b></u>	<u><b>586,085</b></u>

Hire purchase contracts are secured on the assets concerned.

The bank loan was secured as follows:

- A first Legal Charge over Commercial Freehold Units 3,4 & 5 Techno Trading Estate, Bramble Road, Swindon, SN2 8HB dated 16/01/2003.

- A first Legal Charge over Commercial Freehold Units 1A & 1B Techno Trading Estate, Bramble Road, Swindon, SN2 8HB dated 26/10/2012.

- An unlimited Debenture dated 24/01/1995 incorporating a fixed and floating charge.

All of the above charges were satisfied by Lloyds Bank Plc on 16 March 2021 as part of the acquisition as explained in note 22.

**18. PROVISIONS FOR LIABILITIES**

	2020 £	2019 £
Deferred tax		
Accelerated capital allowances	323,892	359,372
Property revaluation	<u>16,337</u>	<u>34,080</u>
	<u><b>340,229</b></u>	<u><b>393,452</b></u>
		<b>Deferred tax</b>
		£
Balance at 1 December 2019		393,452
Credit to Statement of Comprehensive Income during year		<u>(53,223)</u>
Balance at 30 November 2020		<u><b>340,229</b></u>

**19. CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:

Number:	Class:	Nominal value:	2020 £	2019 £
60,810	Ordinary	£1	<u><b>60,810</b></u>	<u><b>60,810</b></u>





**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

**20. RESERVES**

	<b>Retained earnings £</b>
At 1 December 2019	<b>5,095,118</b>
Profit for the year	<b>746,343</b>
Dividends	<b><u>(353,468)</u></b>
At 30 November 2020	<b><u>5,487,993</u></b>

Included within retained earnings is £100,980 (2019:£176,623) which is un-distributable. This amount arising through the revaluation of the investment property.

**21. RELATED PARTY DISCLOSURES**

During the year a company under common control made sales totalling £190,922 (2019: £288,353) to Retrac Productions Limited.

During the year a company under common control sold fixed assets of £3,317 to Retrac Productions Limited.

During the year a company under common control made purchases totalling £1,583,625 (2019: £1,614,347) from Retrac Productions Limited.

During the year a company under common control paid rent of £32,000 (2019:£32,000) to Retrac Productions Limited.

During the year a company under common control recharged expenses of £18,375 (2019: £25,174) to Retrac Productions Limited.

At the year end a company under common control owed £154,111 (2019:£165,651) to Retrac Productions Limited.

At the year end a company under common control was owed £17,352 (2019: £63,750) by Retrac Productions Limited.



**RETRAC PRODUCTIONS LIMITED (REGISTERED NUMBER: 01080012)**

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 30 NOVEMBER 2020**

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**22. POST BALANCE SHEET EVENTS**

Subsequent to the balance sheet date, in March 2021, the company repaid their £500,000 Coronavirus Business Interruption Loan Scheme and all securities held by Lloyds Bank Plc were satisfied at Companies House on 16 March 2021.

On 2 March 2021 the company's entire share capital was sold to the Retrac Employee Ownership Trust. The Trustee is Equiom (Guernsey) Limited. Also on this date, in anticipation of this transaction, a group reorganisation took place whereby Retrac Productions Limited acquired the entire share capital of Retrac Composites Limited via a share for share exchange having the effect that Retrac Composites Limited, which had previously been a company under common control, became a 100% subsidiary.

In order to facilitate this acquisition by Retrac Employee Ownership Trust the following securities were given;

- The company became guarantor of unsecured loan notes issued by Retrac Employee Ownership Trust which amount to £12 million.
- A debenture was registered by the company, in favour of Shawbrook Bank Limited, which created fixed and floating charges over all the assets of the company to secure an initial debt of £7 million advanced to the Retrac Employee Ownership Trust.

Finally, on 13 April 2021, the company paid a contribution of £1 million to the Retrac Employee Ownership Trust.



