

Registration number: 00141976

Alcester Number 1 Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2018

FRIDAY



A8EE9N49

A27

20/09/2019

#194

COMPANIES HOUSE

Alcester Number 1 Limited

Contents

Company Information	1
Strategic Report	2
Directors' Report	3
Directors' Responsibilities Statement	4
Independent Auditor's Report	5 to 7
Income Statement	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 17

Alcester Number 1 Limited

Company Information

Directors	G P Martin
	S A Peckham
	G E Barnes
	J C Miller
Company secretary	J C F Crawford
Registered office	11th Floor
	The Colmore Building
	20 Colmore Circus Queensway
	Birmingham
	West Midlands
Auditor	B4 6AT
	Deloitte LLP
	London
	United Kingdom

Alcester Number 1 Limited

Strategic Report for the Year Ended 31 December 2018

The Directors present their Strategic Report for the year ended 31 December 2018.

Principal activity

The Company's principal activity is to act as an intermediate holding company. The Directors do not expect any change in this activity in the foreseeable future.

Fair review of the business

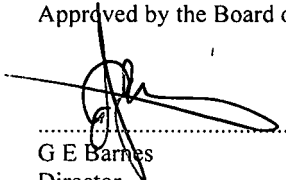
The operating result for the year ended 31 December 2018 was £nil (year ended 31 December 2017: loss of £557,000). The retained result for the year ended 31 December 2018 was £nil (year ended 31 December 2017: loss of £649,000).

Going concern

The Directors have reviewed the Company's forecasts and projections, including consideration of the availability of finance, which show that the Company should be able to continue to operate for the foreseeable future. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence thus they continue to adopt the going concern basis in preparing the annual financial statements.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

Approved by the Board on 28 June 2019 and signed on its behalf by:



.....
G E Barnes
Director

Alcester Number 1 Limited

Directors' Report for the Year Ended 31 December 2018

The Directors present their report and the financial statements for the year ended 31 December 2018. An indication of likely future developments in the business of the Company is included in the Strategic Report. Information on financial risk management and going concern are also included in the Strategic Report.

Directors of the Company

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

G P Martin

S A Peckham

G E Barnes

A G Peart (resigned 31 May 2018)

D A Roper (resigned 25 June 2018)

J C Miller

No Director had a beneficial interest in the share capital of the Company or any of its subsidiaries, except for the fact that each Director held shares and/or options over shares in Melrose Industries PLC, the ultimate parent company and controlling party, and therefore had an indirect beneficial interest in the Company.

Dividends

The Directors do not recommend the payment of a final dividend in respect of the financial year ended 31 December 2018 (year ended 31 December 2017: £nil).

Directors' liabilities

The ultimate parent undertaking has indemnified one or more Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third party indemnity provision was in force throughout the year and at the date of this report.

Disclosure of information to the auditor

Each Director has taken steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information. The Directors confirm that there is no relevant information that they know of and of which they know the auditor is unaware.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Approved by the Board on 28 June 2019 and signed on its behalf by:



G E Barnes
Director

Alcester Number 1 Limited

Directors' Responsibilities Statement

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

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' (FRS 101). 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Alcester Number 1 Limited

Independent Auditor's Report to the members of Alcester Number 1 Limited

Opinion on the financial statements

In our opinion the financial statements of Alcester Number 1 Limited (the 'company'):

- give a true and fair view of the state of the Company's affairs as at 31 December 2018 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 101 "Reduced Disclosure Framework"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements of Alcester Number 1 Limited for the year ended 31 December 2018, set out on pages 8 to 17, which comprise:

- the income statement;
- the statement of comprehensive income;
- the balance sheet;
- the statement of changes in equity; and
- the related notes 1 to 14.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including the Financial Reporting Standards 101 "Reduced Disclosure Framework" (United Kingdom Generally Accepted Accounting Practice).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council'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 are required by ISAs (UK) to report in respect of the following matters where:

- the Directors' use of the going concern basis of accounting in 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.

We have nothing to report in respect of these matters.

Alcester Number 1 Limited

Independent Auditor's Report to the members of Alcester Number 1 Limited

Other information

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

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 respect of these matters.

Responsibilities of Directors

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

Alcester Number 1 Limited

Independent Auditor's Report to the members of Alcester Number 1 Limited

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006

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

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

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 any material misstatements in the Strategic Report or the Directors' Report.

Matters on which we are required to report by exception

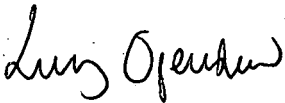
We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- 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.

We have nothing to report in respect of these matters.

Use of our report

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



Lucy Openshaw (Senior Statutory Auditor)
For and on behalf of Deloitte LLP, Statutory Auditor

London
United Kingdom

28 June 2019

Alcester Number 1 Limited

Income Statement for the Year Ended 31 December 2018

	Note	2018 £ 000	2017 £ 000
Administrative expenses		-	14
Adjusting items	4	-	(571)
Operating loss	5	-	(557)
Finance income	7	-	571
Finance costs	8	-	(663)
Loss before tax		-	(649)
Tax on profit/(loss)	11	-	-
Loss for the year attributable to owners of the Company		-	(649)

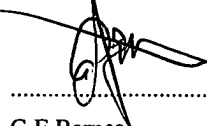
The above results were derived from continuing operations.

The above results have arisen from continuing activities in the year. The Company has no gains and losses other than the results for the financial year shown above and therefore no separate statement of comprehensive income has been presented.

Alcester Number 1 Limited
(Registration number: 00141976)
Balance Sheet as at 31 December 2018

	Note	2018 £ 000	2017 £ 000
Equity			
Share capital	13	1	1
Share premium account		26,134	26,134
Retained earnings		<u>(26,135)</u>	<u>(26,135)</u>
Equity attributable to owners of the Company		<u>-</u>	<u>-</u>

Approved by the Board on 28 June 2019 and signed on its behalf by:



 G E Barnes
 Director

Alcester Number 1 Limited

Statement of Changes in Equity for the Year Ended 31 December 2018

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2017	1	-	(25,486)	(25,485)
Loss for the year	-	-	(649)	(649)
Total comprehensive income	-	-	(649)	(649)
New share capital subscribed *	-	26,134	-	26,134
At 31 December 2017	1	26,134	(26,135)	-

* The Company issued one £1 share in exchange for a loan payable to Melrose PLC of £26,134,000.

	Share capital £ 000	Share premium £ 000	Profit and loss account £ 000	Total £ 000
At 1 January 2018	1	26,134	(26,135)	-
At 31 December 2018	1	26,134	(26,135)	-

Alcester Number 1 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

1 General information

The Company is a private company limited by share capital incorporated in The United Kingdom under the Companies Act 2006 and is registered in England and Wales. The nature of the Company's operations and its principal activity are set out in the Strategic Report.

The address of its registered office is:

11th Floor
The Colmore Building
20 Colmore Circus Queensway
Birmingham
West Midlands
B4 6AT

These financial statements were authorised for issue by the Board on 28 June 2019.

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

Basis of preparation

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

The financial statements have been prepared on the historical cost basis, as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

Summary of disclosure exemptions

As permitted by FRS 101 and where relevant, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group accounts of Melrose Industries PLC, which are available to the public and can be obtained from 11th Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT.

Going concern

The financial statements have been prepared on a going concern basis.

The Company's forecasts and projections, including consideration of the availability of finance, show that the Company should be able to continue to operate for the foreseeable future.

Exemption from preparing group accounts

These financial statements are separate financial statements. The Company is exempt from the preparation of consolidated financial statements, because it is included in the group accounts of Melrose Industries PLC.

Alcester Number 1 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

2 Accounting policies (continued)

Adjusting items

Adjusting items are those items of a significant size and nature or those associated with significant restructuring programmes, acquisitions or disposals, which warrant separate additional disclosure in the financial statements in order to fully understand the underlying performance of the Company.

Finance income and costs policy

Finance income

Interest income is recognised when it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Finance costs

Where financial liabilities are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within finance costs.

Foreign currency transactions and balances

The financial statements are presented in pounds sterling, which is the currency of the primary economic environment in which the Company operates (its functional currency).

Transactions in currencies other than the functional currency are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in profit or loss in the period in which they arise except for exchange differences on transactions entered into to hedge certain foreign currency risks.

Tax

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Company's liability for current tax is calculated using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible.

Investments

Investments in subsidiaries are stated at cost less provision for impairment. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount of revenue can be measured reliably).

Financial assets and liabilities

Classification

All financial assets are classified as either those which are measured at fair value, through profit or loss, or Other Comprehensive Income, and those measured at amortised cost.

Alcester Number 1 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

3 Critical accounting judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates. The Directors have considered whether there are any such sources of estimation or critical accounting judgements in forming the financial statements and do not determine there to be any for the purpose of disclosure.

4 Adjusting items

Included within operating profit/(loss) are the following items of a significant size and nature which warrant separate disclosure in the financial statements in order to fully understand the underlying performance of the Company.

	2018 £ 000	2017 £ 000
Impairment of investment in Group Undertaking	-	(22,497)
Reversal of impairment in loan to Group Undertaking	-	21,926
	<u>-</u>	<u>(571)</u>

5 Operating profit/(loss)

Arrived at after charging/(crediting)

	2018 £ 000	2017 £ 000
Foreign exchange losses	<u>-</u>	<u>1</u>

6 Auditor's remuneration

The fees payable to the Company's auditor for the audit of the financial statements of £1,000 (year ended 31 December 2017: £1,000) were borne by a fellow Group undertaking.

7 Finance income

	2018 £ 000	2017 £ 000
Interest on loans to Group undertakings	<u>-</u>	<u>571</u>

8 Finance costs

	2018 £ 000	2017 £ 000
Interest on loans from Group undertakings	<u>-</u>	<u>663</u>

Alcester Number 1 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

9 Particulars of employees

The Company did not have any employees in the current year or the prior year.

10 Directors' remuneration

The Directors received no remuneration for their services to the Company during the year (year ended 31 December 2017: £nil). The Directors of the Company who served during the year were also Directors of a number of the companies within the Melrose Group and as such remuneration of Directors is borne by a fellow company.

Alcester Number 1 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

11 Income tax

Tax charged/(credited) in the income statement

	2018 £ 000	2017 £ 000
Total current income tax	-	-
Tax charge/(credit) in the income statement	-	-

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK of 19% (2017: 19.25%).

The differences are reconciled below:

	2018 £ 000	2017 £ 000
Loss before tax	-	(649)
Corporation tax at standard rate	-	(125)
Expenses not deductible in determining taxable profit	-	107
Group relief at nil consideration	-	18
Total tax charge/(credit)	-	-

Alcester Number 1 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

12 Investments

Subsidiaries	£ 000
Cost or valuation	
At 1 January 2018	<u>11,390</u>
At 31 December 2018	<u>11,390</u>
Provision for impairment	
At 1 January 2018	<u>11,390</u>
At 31 December 2018	<u>11,390</u>
Carrying amount	
At 31 December 2018	<u><u>-</u></u>
At 31 December 2017	<u><u>-</u></u>

Details of the subsidiaries as at 31 December 2018 and 31 December 2017 are as follows:

Name of subsidiary	Principal activity	Country of incorporation and principal place of business	Proportion of ownership interest and voting rights held	
			2018	2017
Alcester Capricorn*	Dormant	The Colmore Building, Birmingham, United Kingdom	100%	100%

* owned directly by the Company

All holdings relate to Ordinary Shares unless otherwise stated.

13 Share capital

Authorised, issued and fully paid shares

	2018		2017	
	Number	£ 000	Number	£ 000
Ordinary shares of £1 each	<u>1,001</u>	<u>1</u>	<u>1,001</u>	<u>1</u>

Alcester Number 1 Limited

Notes to the Financial Statements for the Year Ended 31 December 2018

14 Controlling party

The Company's immediate parent company is Eachairn Aerospace Holdings Limited, a company incorporated in England & Wales.

The ultimate parent company and controlling party is Melrose Industries PLC, a company incorporated in England & Wales.

The parent of the smallest and largest group in which these financial statements are consolidated is Melrose Industries PLC, incorporated in England & Wales.

Copies of the Group financial statements of Melrose Industries PLC are available from its registered address:
11th Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, West Midlands, B4 6AT.