

Addev Materials Aerospace Limited

Annual Report and Financial Statements Year Ended 31 December 2021

Registration number: 04421963

THURSDAY



ABDKQVBN

A25

29/09/2022

#147

COMPANIES HOUSE

Addev Materials Aerospace Limited

Contents

Company Information	1
Balance Sheet	2
Notes to the Financial Statements	3 to 12

Addev Materials Aerospace Limited

Company Information

Directors	J C Rowbotham
	J Duvanel
	P Nadobny
	J A Tyrrell
Registered office	Towngate House 2-8 Parkstone Road Poole Dorset BH15 2PW
Auditors	Constantin Chartered Accountants and Statutory Auditor 25 Hosier Lane London EC1A 9LQ

Addev Materials Aerospace Limited

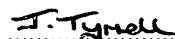
Balance Sheet

31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	6	743,964	96,634
Investments	7	<u>20,000</u>	<u>20,000</u>
		<u>763,964</u>	<u>116,634</u>
Current assets			
Stocks	8	1,795,472	729,472
Debtors	9	2,828,908	4,446,925
Cash at bank and in hand		<u>731,072</u>	<u>464,685</u>
		5,355,452	5,641,082
Creditors: Amounts falling due within one year	10	<u>(4,869,811)</u>	<u>(5,154,391)</u>
Net current assets		<u>485,641</u>	<u>486,691</u>
Total assets less current liabilities		1,249,605	603,325
Provisions for liabilities		<u>(116,164)</u>	<u>(1,050)</u>
Net assets		<u>1,133,441</u>	<u>602,275</u>
Capital and reserves			
Called up share capital	11	100	100
Share premium reserve		87,989	87,989
Profit and loss account		<u>1,045,352</u>	<u>514,186</u>
Shareholders' funds		<u>1,133,441</u>	<u>602,275</u>

These financial statements have been prepared and delivered in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006 and the option not to file the Profit and Loss Account has been taken.

Approved and authorised by the Board on 26 September 2022 and signed on its behalf by:



J A Tyrrell
Director

Company Registration Number: 04421963

Addev Materials Aerospace Limited

Notes to the Financial Statements

Year Ended 31 December 2021

1 General information

The company is a private company limited by share capital, incorporated in England.

The activities of Paint Services Group Limited, were transferred to Addev Materials Aerospace Limited on the 01 January 2021.

The address of its registered office is:

Towngate House
2-8 Parkstone Road
Poole
Dorset
BH15 2PW

The principal place of business is:

2 Bordon Trading Estate
Bordon
Hampshire
GU35 9HH

These financial statements were authorised for issue by the Board on 26 September 2022.

2 Accounting policies

Basis of preparation

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" including the provisions of Section 1A "Small Entities" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

These financial statements are presented in Sterling, rounded to the nearest whole pound.

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirement of Section 7 Statement of Cash Flows;
- the requirement of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirement of Section 11 Financial Instruments paragraphs 11.42, 11.44, to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A;
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Addev Materials SAS as at 31 December 2021 and these financial statements may be obtained from 30, quai Perrache Lyon, 69002, France.

Addev Materials Aerospace Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Significant judgements and estimates

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on *historical experience and other factors* that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

Critical judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition

In making the revenue recognition judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in IAS 18 Revenue and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

Providing for doubtful debts

The Financial Statements contains estimated figures that are based on assumptions made by the Company about the future or that are otherwise uncertain. These include useful lives, valuations and bad debt provisions. Estimates are made considering historical experience, current trends and other relevant factors. However, because balances cannot be determined with certainty actual results could be different from the assumptions and estimates.

Pensions liability

Estimation of the net liability to pay pensions depends on a number of complex judgements relating to the discount rate used, the expected rate of price inflation, the rate at which salaries and pensions are expected to increase, mortality rates and rate of commutation of pensions.

Useful economic lives of property, plant and equipment

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Addev Materials Aerospace Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Going concern

The financial statements have been prepared on a going concern basis. The Directors have considered the financial position of the Company for a period of at least twelve months from the date of signing these financial statements, and has no reason to believe that a material uncertainty exists that may cast doubt about the ability of the Company to continue as a going concern.

Turnover

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

Sales of goods

Turnover from the sale of goods is recognised when the following conditions are satisfied:

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

Rendering of services

Turnover from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of turnover can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Tangible assets

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

Depreciation

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Asset class	Depreciation method and rate
Short term leasehold property	Over the term of the lease
Freehold property	50 years straight line basis
Plant and machinery	20% - 33% straight line basis

Addev Materials Aerospace Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Government grants

Government grants are recognised on the accrual model. The grant monies receivables in the year relate to compensation for staff costs under the furlough scheme, already incurred and recognised as an expense in the profit and loss account.

Investments in subsidiaries

Investments in subsidiaries are measured at cost less accumulated impairment.

Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At the balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

Tax

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, 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 balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet 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.

Addev Materials Aerospace Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Foreign currency transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit and loss except when deferred in other comprehensive income as qualifying cash flow hedges.

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within "finance income and costs". All other foreign exchange gains and losses are presented in profit or loss within "other operating income".

Foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within "administrative expenses".

Defined contribution pension obligation

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Trade debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

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

Trade creditors

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

Addev Materials Aerospace Limited

Notes to the Financial Statements

Year Ended 31 December 2021

Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

Operating leases

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the lease term.

Benefits received and receivable as an incentive to sign an operating lease recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

3 Critical Accounting Judgements and key sources of estimation uncertainty

In the application of the Company and Group's accounting policies, which are described in note 2, the Directors are required to make judgements, estimates and assumptions about the carrying amounts and useful lives of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date, that have significant risk and causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Stock

The valuation of stock requires estimates of any obsolete or slow moving stock to be made and the total value of stock adjusted accordingly.

Bad debt provisions

The annual review of trade debtors requires an estimation of any balances considered unrecoverable and the total value of trade debtors is adjusted accordingly.

4 Staff numbers

The average number of persons employed by the company (including directors) during the year, was 51 (2020 - 26).

Addev Materials Aerospace Limited

Notes to the Financial Statements

Year Ended 31 December 2021

5 Auditors' remuneration

	2021 £	2020 £
Other fees to auditors		
Audit-related assurance services	<u>15,000</u>	<u>8,125</u>

6 Tangible assets

	Land and buildings £	Plant and machinery £	Total £
Cost or valuation			
At 1 January 2021	97,655	274,461	372,116
Additions	10,518	204,772	215,290
Disposals	(25,395)	(199,545)	(224,940)
Transfers from group companies	<u>255,284</u>	<u>1,686,120</u>	<u>1,941,404</u>
At 31 December 2021	<u>338,062</u>	<u>1,965,808</u>	<u>2,303,870</u>
Depreciation			
At 1 January 2021	17,084	258,398	275,482
Charge for the year	18,856	143,862	162,718
Eliminated on disposal	(25,395)	(181,553)	(206,948)
Transfers from group companies	<u>48,209</u>	<u>1,280,445</u>	<u>1,328,654</u>
At 31 December 2021	<u>58,754</u>	<u>1,501,152</u>	<u>1,559,906</u>
Carrying amount			
At 31 December 2021	<u>279,308</u>	<u>464,656</u>	<u>743,964</u>
At 31 December 2020	<u>80,571</u>	<u>16,063</u>	<u>96,634</u>

Included within the net book value of land and buildings above is £191,912 (2020 - £Nil) in respect of freehold land and buildings and £87,396 (2020 - £80,571) in respect of short leasehold land and buildings.

Addev Materials Aerospace Limited

Notes to the Financial Statements

Year Ended 31 December 2021

7 Investments

	2021 £	2020 £
Investments in subsidiaries	<u>20,000</u>	<u>20,000</u>
Subsidiaries		£
Cost or valuation		
At 1 January 2021		<u>20,000</u>
At 31 December 2021		<u>20,000</u>
Carrying amount		
At 31 December 2021		<u>20,000</u>
At 31 December 2020		<u>20,000</u>

Details of undertakings

Details of the investments (including principal place of business of unincorporated entities) in which the company holds 20% or more of the nominal value of any class of share capital are as follows:

Undertaking	Registered office	Holding	Proportion of voting rights and shares held 2021	2020
Subsidiary undertakings				
Pexa Aerospace Materials Private Limited	No.237, Ukpar Oakland, Bangalore, India	Ordinary	100%	100%

Subsidiary undertakings

Pexa Aerospace Materials Private Limited

The principal activity of Pexa Aerospace Materials Private Limited is that of a paint stockist and distributor.

8 Stocks

	2021 £	2020 £
Stocks	<u>1,795,472</u>	<u>729,472</u>

Addev Materials Aerospace Limited

Notes to the Financial Statements

Year Ended 31 December 2021

9 Debtors

	2021 £	2020 £
Trade debtors	2,577,071	1,156,861
Amounts due from group undertakings	72,858	3,172,852
Other debtors	37,091	42,450
Prepayments	72,622	74,762
Corporation tax	69,266	-
	<u>2,828,908</u>	<u>4,446,925</u>

10 Creditors

Creditors: amounts falling due within one year

	2021 £	2020 £
Due within one year		
Bank overdrafts	59,377	-
Trade creditors	2,047,885	1,002,421
Amounts due to group undertakings	2,279,222	3,707,422
Social security and other taxes	121,545	25,557
Other creditors	14,870	-
Accrued expenses	346,912	350,642
Corporation tax	-	68,349
	<u>4,869,811</u>	<u>5,154,391</u>

11 Share capital

Allotted, called up and fully paid shares

	No.	2021 £	No.	2020 £
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

Addev Materials Aerospace Limited

Notes to the Financial Statements

Year Ended 31 December 2021

12 Financial commitments, guarantees and contingencies

Amounts not provided for in the balance sheet

The total amount of guarantees not included in the balance sheet is £300,000 (2020 - £300,000). This relates to a cross guarantee that the company's bank holds for all accounts held by group companies and a £100,000 bank guarantee in favour of HMRC which is all secured by way of a debenture over the property and other assets of the group companies

13 Related party transactions

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

14 Parent and ultimate parent undertaking

The Company's immediate parent is Addev Materials UK Limited, incorporated in England.

The ultimate parent undertaking is Addev Materials SAS. Consolidated financial statements can be found at 30, quai Perrache Lyon, 69002, France.

15 Audit report

The Independent Auditors' Report was unqualified. The name of the Senior Statutory Auditor who signed the audit report was Mark Bathgate FCA, who signed for and on behalf of Constantin on 26 September 2022.