

Registered number: 08335187

MAC AERO INTERIORS LTD

UNAUDITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2018



MAC AERO INTERIORS LTD
REGISTERED NUMBER: 08335187

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

| | Note | 2018 £ | 2017 £ |
|---|------|------------------|------------------|
| Fixed assets | | | |
| Intangible assets | 4 | 24,155 | 36,417 |
| Tangible assets | 5 | 319,257 | 308,659 |
| | | <u>343,412</u> | <u>345,076</u> |
| Current assets | | | |
| Stocks | | 904,433 | 773,980 |
| Debtors: amounts falling due after more than one year | 6 | 120,000 | 120,327 |
| Debtors: amounts falling due within one year | 6 | 1,146,796 | 1,097,627 |
| Cash at bank and in hand | | 307,355 | 9,339 |
| | | <u>2,478,584</u> | <u>2,001,273</u> |
| Creditors: amounts falling due within one year | 7 | (3,296,204) | (2,693,880) |
| Net current liabilities | | <u>(817,620)</u> | <u>(692,607)</u> |
| Total assets less current liabilities | | <u>(474,208)</u> | <u>(347,531)</u> |
| Net liabilities | | <u>(474,208)</u> | <u>(347,531)</u> |
| Capital and reserves | | | |
| Called up share capital | | 2 | 2 |
| Profit and loss account | | (474,210) | (347,533) |
| | | <u>(474,208)</u> | <u>(347,531)</u> |

MAC AERO INTERIORS LTD
REGISTERED NUMBER: 08335187

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2018

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

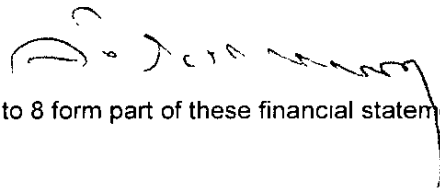
The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29 July 2019.

P Akstinas
Director



The notes on pages 3 to 8 form part of these financial statements.

MAC AERO INTERIORS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

Mac Aero Interiors Ltd is a private company, limited by shares, company number 08335187, registered in England and Wales. Its registered address is 11 Staple Inn, London, United Kingdom, WC1V 7QH. Its principal place of business is Unit 9, Perrywood Business Park, Salfords, Surrey, RH1 5DZ.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

During the year the company incurred a loss of £126,677 and had net liabilities of £474,208 as at 31 December 2018. The financial statements have been prepared on a going concern basis, the applicability of which is dependent on the continuous support from the immediate parent undertaking, Magnetic MRO AS for the foreseeable future and at least twelve months from the approval of these financial statements.

2.3 Foreign currency translation**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

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 the Statement of Comprehensive Income except when deferred in other comprehensive income as qualifying cash flow hedges.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Revenue

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

Sale of goods

Revenue from the sale of goods is recognised when all of 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 revenue 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.

2.5 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Comprehensive Income on a straight line basis over the lease term.

2.6 Taxation

Tax is recognised in the Statement of Comprehensive Income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the countries where the Company operates and generates income.

2.7 Intangible assets

Intangible assets are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

2.8 Tangible fixed 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.8 Tangible fixed assets (continued)

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:

| | |
|------------------------------|------------------------------|
| Long-term leasehold property | - over the life of the lease |
| Plant and machinery | - 10% straight - line basis |
| Motor vehicles | - 10% straight - line basis |

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

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

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

2.10 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.

2.11 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

2.12 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

2.13 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

MAC AERO INTERIORS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Employees

The average monthly number of employees, including directors, during the year was 50 (2017 - 46).

4. Intangible assets

| | Patents £ |
|-----------------------|---------------|
| Cost | |
| At 1 January 2018 | 51,696 |
| Additions | 8,175 |
| At 31 December 2018 | <u>59,871</u> |
| Amortisation | |
| At 1 January 2018 | 15,279 |
| Charge for the year | 20,437 |
| At 31 December 2018 | <u>35,716</u> |
| Net book value | |
| At 31 December 2018 | <u>24,155</u> |
| At 31 December 2017 | <u>36,417</u> |

MAC AERO INTERIORS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

5. Tangible fixed assets

| | Long-term leasehold property £ | Plant and machinery £ | Motor vehicles £ | Computer equipment £ | Total £ |
|--|---|-----------------------------|------------------------|----------------------------|----------------|
| Cost or valuation | | | | | |
| At 1 January 2018 | 255,163 | 76,736 | 4,959 | 23,983 | 360,841 |
| Additions | 19,623 | 18,274 | - | 348 | 38,245 |
| At 31 December 2018 | <u>274,786</u> | <u>95,010</u> | <u>4,959</u> | <u>24,331</u> | <u>399,086</u> |
| Depreciation | | | | | |
| At 1 January 2018 | - | 41,382 | 4,959 | 5,842 | 52,183 |
| Charge for the year on owned assets | - | 21,836 | - | 5,810 | 27,646 |
| At 31 December 2018 | <u>-</u> | <u>63,218</u> | <u>4,959</u> | <u>11,652</u> | <u>79,829</u> |
| Net book value | | | | | |
| At 31 December 2018 | <u>274,786</u> | <u>31,792</u> | <u>-</u> | <u>12,679</u> | <u>319,257</u> |
| At 31 December 2017 | <u>255,163</u> | <u>35,355</u> | <u>-</u> | <u>18,141</u> | <u>308,659</u> |

MAC AERO INTERIORS LTD

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Debtors

| | 2018 £ | 2017 £ |
|-------------------------------------|------------------|------------------|
| Due after more than one year | | |
| Other debtors | 120,000 | 120,327 |
| | <u>120,000</u> | <u>120,327</u> |
| Due within one year | | |
| Trade debtors | 487,275 | 613,717 |
| Other debtors | 559,162 | 297,854 |
| Prepayments and accrued income | 100,359 | 186,056 |
| | <u>1,146,796</u> | <u>1,097,627</u> |

7. Creditors: Amounts falling due within one year

| | 2018 £ | 2017 £ |
|------------------------------------|------------------|------------------|
| Bank overdrafts | 77,096 | 72,802 |
| Trade creditors | 1,131,407 | 692,920 |
| Debt factoring | - | 9,319 |
| Amounts owed to group undertakings | 1,920,186 | 1,510,256 |
| Other taxation and social security | 135,758 | 358,065 |
| Other creditors | 18,490 | 26,420 |
| Accruals and deferred income | 13,267 | 24,098 |
| | <u>3,296,204</u> | <u>2,693,880</u> |

8. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £11,189 (2017 - £4,083). Contributions totalling £2,884 (2017 - £1,786) were payable to the fund at the reporting date and are included in creditors.

9. Controlling party

The immediate parent undertaking is Magnetic MRO AS, a company incorporated in Estonia. The ultimate parent undertaking is Guangzhou Hangxin Aviation Technology Co Limited, a company incorporated in China.