

**Company Registration Number 09870794**

**Versarien Advanced Composites Limited**

**Unaudited Annual report**

**31 March 2020**

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**Versarien Advanced Composites Limited**  
**Annual report**  
**Year ended 31 March 2020**

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# **Versarien Advanced Composites Limited**

## **Company information**

**Year ended 31 March 2020**

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**The board of directors**

Neill Ricketts  
Christopher Leigh

**Company secretary**

Christopher Leigh

**Bankers**

Santander UK Plc  
Bristol Corporate Business Centre  
One Glass Wharf  
Avon Street  
Bristol  
BS2 0ZX

**Registered Office**

Unit 2, Chosen View Road  
Cheltenham  
Gloucestershire  
GL51 9LT

**Registered Number**

09870794

## **Versarien Advanced Composites Limited**

### **Report of the Directors Year ended 31 March 2020**

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The directors present their annual report on the affairs of the Company, together with the financial statements for the year ended 31 March 2020. This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

#### **Results and dividends**

The loss for the year was £4,820 (2019: £3,190)

The directors have not recommended a final dividend (2019 Nil).

#### **Research and Development**

Investing in research and development programmes delivers product innovation and manufacturing improvements.

#### **Going Concern**

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate as the Company is part of the Versarien Group which has confirmed its intention to provide ongoing support to the company for a period of at least 12 months from the date of signing these financial statements and the Versarien Group is in a position to provide this support.

#### **Directors**

The directors of the company who were in office during the year and up to the date of signing were:

Mr N Ricketts

Mr C M Leigh

#### **Financial Risk Management**

##### **(a) Capital risk management**

The Company's objectives for managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an efficient capital structure to manage the cost of capital. There were no changes in the Group's approach to capital management during the year.

##### **(b) Foreign currency risk**

Foreign currency risk arises both where sale or purchase transactions are undertaken in currencies other than the respective functional currencies. The Company is exposed to the changes in foreign currency exchange rates between a number of different currencies but the Company's primary exposures relate to the Euro.

The Company's policy is not to hedge its exposure using financial instruments, but to mitigate exposure by natural hedges as far as possible.

##### **(c) Interest rate risk**

The Company currently uses some invoice discounting advances to fund working capital requirements. Interest rate risks are not hedged.

##### **(d) Credit risk**

The Company's credit risk is primarily attributable to its trade receivables and other current assets. The amounts recognised in the balance sheet are net of expected credit losses. Trade receivables are subject to credit limits. Credit risk associated with cash balances is managed by transacting with financial institutions of high quality.

The maximum exposure to credit risk for trade receivables and other current assets is represented by their carrying amount.

## **Versarien Advanced Composites Limited**

### **Report of the Directors Year ended 31 March 2020 (continued)**

#### **Financial Risk Management** *(continued)*

##### **(e) Liquidity risk**

The Company seeks to manage liquidity risk to ensure sufficient liquidity is available to meet the requirements of the business and to invest cash assets safely and profitably. The Board reviews regularly available cash to ensure there are sufficient resources for working capital requirements and to meet the Company's financial commitments.

At 31 March 2020 and 31 March 2019 all amounts shown in the Statement of Financial Position under current assets and current liabilities mature for payment within one year.

#### **Statement of directors' responsibilities**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law). 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 Year. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 101, have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

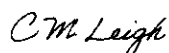
The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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.

The company is entitled to exemption from audit under Section 477 of the Companies Act 2006 for the year ended 31 March 2020.

The members have not required the company to obtain an audit of its financial statements for the year ended 31 March 2020 in accordance with Section 476 of the Companies Act 2006.

By order of the Board



Christopher Leigh  
Company Secretary

17 February 2021

**Versarien Advanced Composites Limited****Statement of comprehensive income for the Year ended 31 March 2020**

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		Year ended 31 March 2020 £	Year ended 31 March 2019 £
Administrative expenses	3	<u>(4,820)</u>	<u>(6,987)</u>
<b>Loss on ordinary activities before taxation</b>		<u>(4,820)</u>	<u>(6,987)</u>
Taxation	4	<u>-</u>	<u>3,797</u>
<b>Loss for the financial year</b>		<u><u>(4,820)</u></u>	<u><u>(3,190)</u></u>

Administration expenses comprise principally depreciation and consultancy fees.

There were no comprehensive income/losses in either year other than those included in the statement of comprehensive income.

The notes on pages 9 to 13 form part of these financial statements.

**Versarien Advanced Composites Limited**  
**(Registered Number: 09870794)**  
**Statement of Financial Position as at 31 March 2020**

<b>Assets</b>	<b>Notes</b>	<b>2019 £</b>	<b>2019 £</b>
<b>Fixed assets</b>			
Plant and machinery	7	9,351	12,591
<b>Current assets</b>			
Other receivables		220	3,137
Cash and cash equivalents		549	4,290
		<u>769</u>	<u>7,427</u>
<b>Total assets</b>		<u>10,120</u>	<u>20,018</u>
<b>Equity</b>			
<b>Shareholders equity</b>			
Called up share capital	6	100	100
Retained deficit		<u>(252,818)</u>	<u>(247,998)</u>
<b>Total equity</b>		<u>(252,718)</u>	<u>(247,898)</u>
<b>Creditors:</b>			
Amounts falling due within one year	5	262,838	267,916
		<u>262,838</u>	<u>267,916</u>
<b>Total liabilities</b>		<u>262,838</u>	<u>267,916</u>
<b>Total equity and liabilities</b>		<u>10,120</u>	<u>20,018</u>

For the year ended 31 March 2020 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

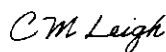
Directors' responsibilities:

- the members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476
- the directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements

The financial statements of Versarien Advanced Composites Limited were approved by the board of directors and authorised for issue on 17 February 2021. They were signed on its behalf by:



Neill Ricketts  
Chief Executive Officer



Christopher Leigh  
Chief Financial Officer

The notes on pages 9 to 13 form part of these financial statements.

**Versarien Advanced Composites Limited****Statement of changes in equity for the Year ended 31 March 2020**

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	<b>Called up Share Capital</b>	<b>Accumulated losses</b>	<b>Total Shareholders' Deficit</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Balance as at 1 April 2018</b>	100	(244,808)	(244,708)
Loss and total comprehensive expense for the financial year	-	(3,190)	(3,190)
<b>Balance as at 31 March 2019</b>	100	(247,998)	(247,898)
Loss and total comprehensive expense for the financial year	-	(4,820)	(4,820)
<b>Balance as at 31 March 2020</b>	100	(252,818)	(252,718)

The notes on pages 9 to 13 form part of these financial statements.



## Versarien Advanced Composites Limited

### Notes to the financial statements for the Year ended 31 March 2020

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#### 1. General information

Versarien Advanced Composites Limited is a private company limited by shares. The Company is domiciled and incorporated in the United Kingdom under the Companies Act 2006 and registered in England. The address of the registered office is Unit 2, Chosen View Road, Cheltenham, Gloucestershire GL51 9LT.

These financial statements are presented in pounds sterling as the currency of the primary economic environment in which the Company operates.

#### 2. Accounting policies

##### Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 'Reduced Disclosure Framework'. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of land and buildings and derivative financial assets and financial liabilities measured at fair value through profit or loss, and in accordance with the Companies Act 2006. Accounting policies have been applied consistently, other than where new policies have been adopted.

The preparation of financial statements in conformity with FRS 101 requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed later in note 2.

The following exemptions from the requirements of IFRS have been applied in the preparation of the financial statements in accordance with FRS 101:

- IFRS 7, 'Financial Instruments: Disclosures'
- Paragraphs 91 to 99 of IFRS 13, 'Fair value measurement' (disclosure of valuation techniques and inputs used for fair value measurements of assets and liabilities)
- Paragraph 38 of IAS 1, 'Presentation of financial statements' comparative information requirements in respect of:
  - i. paragraph 79(a)(iv) of IAS 1
  - ii. paragraph 73(e) of IAS 16 Property, plant and equipment
  - iii. paragraph 118(e) of IAS 38 Intangible assets (reconciliations between the carrying amount at the beginning and end of the period)
- The following paragraphs of IAS 1, 'Presentation of financial statements':
  - 10(d), (statement of cash flows)
  - 10(f) (a statement of financial position at the beginning of the preceding period when an entity applies an accounting policy retrospectively or makes a retrospective restatement of items in its financial statements, or when it reclassifies items in its financial statements)
  - 16 (statement of compliance with all IFRS)
  - 38A (requirement for minimum of two primary statements, including cash flow statements)
  - 38B-D (additional comparative information)
  - 40A-D (requirements for a third statement of financial position)
  - 111 (cash flow statement information), and
  - 134-136 capital management disclosures
- IAS 7, 'Statement of cash flows'
- Paragraph 30 and 31 of IAS 8 'Accounting policies, changes in accounting estimates and errors' (requirement for the disclosure of information when an entity has not applied a new IFRS that has been issued but is not yet effective)
- Paragraph 17 of IAS 24, 'Related party disclosures' (Key management compensation)
- The requirements in IAS 24 'Related party disclosures' to disclose related party transactions entered into between two or members of a group.

#### New standard, amendments and interpretations

The Company adopted IFRS 16 "Leases" using the modified retrospective approach from 1 April 2019.

No new leases were recognised on the adoption of IFRS 16 as no operating leases and no tangible fixed assets which were acquired under finance leases and hire purchase agreements had been previously entered into.

## **Versarien Advanced Composites Limited**

### **Notes to the financial statements for the Year ended 31 March 2020 (continued)**

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#### **2. Accounting policies (continued)**

##### **Going Concern**

The financial statements have been prepared on a going concern basis which the Directors believe to be appropriate as the Company is part of the Versarien Group which has confirmed its intention to provide ongoing support to the company for a period of at least 12 months from the date of signing these financial statements and the Versarien Group is in a position to provide this support.

##### **Plant and equipment**

In accordance with IAS 16, property, plant and equipment costs are recognised as a capital item in the Statement of Financial Position when it is considered the item will help generate a future economic benefit to the Company.

The capitalisation of such items are based on the cost to purchase and bring the item to working condition. The depreciation rates for the relevant capital classifications are as follows:

Plant and equipment	-	straight line over 20 years
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##### **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.

##### **Financial assets**

Financial assets are classified into 'financial assets at FVTPL' and 'financial assets at amortised cost'. The classification is determined at the time of initial recognition and depends on the Company's business model for managing the financial assets and whether the contractual cash flow represent solely payments of principal and interest.

##### **Financial assets at FVTPL**

A financial asset is classified in this category if it does not meet the criteria for recognition as a financial asset at amortised cost. Derivatives are classified in this category unless they are designated as in hedging relationships. These contracts are marked to market by re-measuring them to fair value at the end of each reporting period. The resulting gain or loss is recognised in the Income Statement.

##### **Financial assets at amortised cost**

Assets at amortised cost are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and where the contractual cash flows represent solely payments of principal and interest. The Company's financial assets at amortised cost comprise 'trade and other receivables excluding prepayments' and 'cash and cash equivalents'.

##### **Impairment of financial assets**

The Company recognises a loss allowance for expected credit losses on financial assets at amortised cost or at FVTPL. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. For trade receivables and contract assets, the Company recognises expected credit losses that will result from all possible default events over the expected life of a financial instrument 'lifetime ECL'. For all other financial instruments, the Company recognises lifetime ECL only when there has been a significant increase in credit risk since initial recognition. If the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime ECL that is expected to result from default events on the financial instrument that are possible within 12 months after the reporting date. In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers an actual or expected significant deterioration in the financial instrument's external credit rating where available; significant deterioration in external market indicators of credit risk for a particular financial instrument e.g. a significant increase in the credit spread or the credit default swap prices for the debtor, indications that any debtor is experiencing significant financial difficulty, default or delinquency in payments, an increase in the probability that any debtor will enter bankruptcy, or other financial reorganisation, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

## **Versarien Advanced Composites Limited**

### **Notes to the financial statements for the Year ended 31 March 2020 (continued)**

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#### **2. Accounting policies (continued)**

##### **Trade and other receivables**

Trade and other receivables include assets held under amortised cost. Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business.

Trade and other receivables are recognised initially at fair value and subsequently measures at amortised cost using the effective interest method. The Group recognises expected credit losses that will result from all possible default events over the expected life of a financial instrument for all trade and other receivables.

##### **Current and deferred tax**

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be recognised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

##### **Administrative expenses**

This comprises principally depreciation and consultancy fees.

##### **Revenue recognition**

The revenue recognised in any reporting period are based on the contracted delivery of performance obligations and an assessment of when control is transferred to the customer. To be recognised as a contract, there must be appropriate approval from both parties and clear identification of each party's rights under the agreement. The payment terms should be evident, with collection of consideration probable.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods in the ordinary course of the Company's activities and is shown net of value-added-tax, returns, rebates and discounts.

Revenue is recognised when the performance obligation in the contract has been performed and the control has been passed ('point in time' recognition). The customer gains the right of control at the time the product has been delivered.

##### **Key sources of estimation and uncertainty**

Below are key assumptions concerning the future and sources of uncertainty in estimation which may cause material adjustments to the carrying value of assets and liabilities in the next financial year as at the reporting period end.

##### **Useful life of plant and equipment**

As described in the depreciation accounting policy, the Company considers the useful life of each asset capitalised. During the year the Directors determined that most plant and equipment had an economic useful life of 5 years.

## Versarien Advanced Composites Limited

### Notes to the financial statements for the Year ended 31 March 2020 (continued)

#### 3. Loss before taxation

Loss before taxation has been arrived at after charging:

	2020 £	2019 £
Depreciation of property, plant and equipment	3,240	3,256

#### 4. Tax on Loss

##### Analysis of the charge

No Liability to UK corporation tax arose on ordinary activities for the year.

##### Factors affecting the tax charge

	2020 £	2019 £
Loss before taxation	(4,820)	(6,987)
Loss before taxation multiplied by the standard rate of 19% (2019: 19%)	(916)	(1,328)
Effects of:		
Capital allowance adjustment	155	48
R&D tax credit	-	3,797
Losses carried forward	761	1,280
	-	3,797

#### 5. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade payables	1,320	-
Amounts due to group undertakings	261,518	267,916
	262,838	267,916

All current trade and other payables are held at original invoiced cost

#### 6. Share capital

	2020 £	2019 £
Issued and fully paid: Ordinary shares of £1 each	100	100

**Versarien Advanced Composites Limited****Notes to the financial statements for the Year ended 31 March 2020 (continued)****7. Plant and equipment**

	<b>Plant and Equipment</b>	<b>TOTAL</b>
	<b>£</b>	<b>£</b>
<b>Cost</b>		
<b>At 1 April 2019 and 31 March 2020</b>	16,681	16,681
<b>Accumulated depreciation</b>		
At 1 April 2019	4,090	4,090
Charge for the year	3,240	3,240
<b>At 31 March 2020</b>	7,330	7,330
Net book value		
<b>As at 31 March 2020</b>	9,351	9,351
<b>As at 31 March 2019</b>	12,591	12,591

**8. Ultimate parent company**

The Company's immediate and ultimate parent company is Versarien Plc which is incorporated in the United Kingdom and listed on AIM. In the opinion of the directors there is no ultimate controlling party. Copies of the Versarien PLC consolidated financial statements can be obtained from its registered office at Unit 2, Chosen View Road, Cheltenham Gloucestershire GL51 9LT.

**9. Related Party transactions**

The company takes the exemption under FRS101 to not disclose transactions with other group companies.