

Company Registration No. 09883114 (England and Wales)

ASG INVESTMENTS 1 LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

ASG INVESTMENTS 1 LIMITED

COMPANY INFORMATION

Directors	Mr W R J Rawkins A2E Capital Partners Limited
Company number	09883114
Registered office	c/o A2e Investments No. 1 Marsden Street Manchester M2 1HW
Auditor	MHA Moore and Smalley Richard House 9 Winckley Square Preston PR1 3HP

ASG INVESTMENTS 1 LIMITED

CONTENTS

	Page
Strategic report	1
Directors' report	2 - 3
Independent auditor's report	4 - 6
Balance sheet	7
Notes to the financial statements	8 - 13

ASG INVESTMENTS 1 LIMITED

STRATEGIC REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present the strategic report for the year ended 31 March 2021.

Fair review of the business

The company continued to be dormant for the year.

On behalf of the board

Mr W R J Rawkins
Director

1 December 2021

ASG INVESTMENTS 1 LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 31 MARCH 2021

The directors present their annual report and financial statements for the year ended 31 March 2021.

Principal activities

The principal activity of the company continued to be that of a holding company.

Results and dividends

The results for the year are set out on .

No ordinary dividends were paid. The directors do not recommend payment of a final dividend.

Directors

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

Mr W R J Rawkins
A2E Capital Partners Limited

Auditor

MHA Moore and Smalley were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be re-appointed will be put at a General Meeting.

Statement of directors' responsibilities

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). 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 of disclosure to auditor

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the company's auditor is unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the company's auditor is aware of that information.

ASG INVESTMENTS 1 LIMITED

DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

On behalf of the board

Mr W R J Rawkins
Director

1 December 2021

ASG INVESTMENTS 1 LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBER OF ASG INVESTMENTS 1 LIMITED

Opinion

We have audited the financial statements of ASG Investments 1 Limited (the 'company') for the year ended 31 March 2021 which comprise , the balance sheet and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 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 31 March 2021 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 *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 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 our 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.

ASG INVESTMENTS 1 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBER OF ASG INVESTMENTS 1 LIMITED

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 and the directors' report.

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 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 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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures and the extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

- enquiries with management, about any known or suspected instances of non-compliance with laws and regulations or fraud within the business
- challenging assumptions and judgments made by management in their key accounting estimates, in particular in relation to provisions and future performance in light of the impact of Covid-19
- auditing the risk of management override of controls, including thorough testing journal entries and other adjustments made by management for appropriateness; and
- reviewing board minutes and legal and professional expenditure to identify any evidence of ongoing litigation or enquiries.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

ASG INVESTMENTS 1 LIMITED

INDEPENDENT AUDITOR'S REPORT (CONTINUED) TO THE MEMBER OF ASG INVESTMENTS 1 LIMITED

Use of our report

This report is made solely to the company's member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.

Paul Locker (Senior Statutory Auditor)
For and on behalf of MHA Moore and Smalley
Chartered Accountants
Statutory Auditor

Richard House
9 Winckley Square
Preston
PR1 3HP

1 December 2021

ASG INVESTMENTS 1 LIMITED**BALANCE SHEET****AS AT 31 MARCH 2021**

		2021		2020	
	Notes	£	£	as restated	£
				£	£
Fixed assets					
Investments	4		3,555,290		3,555,290
Current assets		-		-	
Creditors: amounts falling due within one year	6	(3,545,250)		(3,545,250)	
Net current liabilities			(3,545,250)		(3,545,250)
Total assets less current liabilities			10,040		10,040
Capital and reserves					
Called up share capital	7		10,040		10,040

The financial statements were approved by the board of directors and authorised for issue on 1 December 2021 and are signed on its behalf by:

Mr W R J Rawkins
Director

Company Registration No. 09883114

ASG INVESTMENTS 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

Company information

ASG Investments 1 Limited is a private company limited by shares incorporated in England and Wales. The registered office is c/o A2e Investments, No. 1 Marsden Street, Manchester, M2 1HW.

1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

This company is a qualifying entity for the purposes of FRS 102, being a member of a group where the parent of that group prepares publicly available consolidated financial statements, including this company, which are intended to give a true and fair view of the assets, liabilities, financial position and profit or loss of the group. The company has therefore taken advantage of exemptions from the following disclosure requirements:

- Section 4 'Statement of Financial Position': Reconciliation of the opening and closing number of shares;
- Section 7 'Statement of Cash Flows': Presentation of a statement of cash flow and related notes and disclosures;
- Section 33 'Related Party Disclosures': Compensation for key management personnel.

The company has taken advantage of the exemption under section 400 of the Companies Act 2006 not to prepare consolidated accounts. The financial statements present information about the company as an individual entity and not about its group.

ASG Investments 1 Limited is a wholly owned subsidiary of ASG Aerospace Limited and the results of ASG Investments 1 Limited are included in the consolidated financial statements of Aero Services Global Group Limited which are available from No.1 Marsden Street, Manchester, England, M2 1HW.

ASG INVESTMENTS 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.2 Going concern

The directors have prepared detailed profit and cash flow forecasts for the period to March 2025. These show that based on the forecast trading position and use of its currently agreed invoice discounting facility and borrowings, the group will have sufficient liquidity to meet its liabilities as they fall due.

The directors have also completed a reverse stress test exercise which indicates that a significant change in fortunes would have to be suffered by the group for it not to be a going concern. There are no indicators that this would be the case, however, in such a scenario the group would be able to continue operating until March 2022 before needing to utilise the current CBILS facility in place. In such circumstances additional options may be available to mitigate the impact on the group's liquidity and cash flow including:

- Further reductions in operating and capital expenditure;
- additional support from the UK government;
- extension of debt facilities.

The group was in compliance with its loan covenants in respect of borrowings at the year end, relating to EBITDA performance, leverage and capex spend. The directors have continued a regular dialogue with the lenders regarding the challenging trading environment as a result of the Covid-19 pandemic and have made appropriate enquiries in respect of the lender's position regarding future covenant assessments.

The group closed the financial year with net cash at bank of £3.8m, of which £2m related to the unutilised CBILS facility. There are no plans in the forecast to drawdown on this with its sole use earmarked for any future acquisitions. In addition, the group had £4.2m of headroom in the invoice discounting facility that will be available in line with forecasted turnover growth.

No other financial support has been included in the forecasts, although the directors understand that the group would qualify for this support if required.

There has been a significant increase in Aerospace travel post pandemic which has led to pent up demand in aircraft repairs. We are also witnessing a steady rise in build rates planned over the period covered in our forecast to higher levels than 2019.

As a result of this, gross margin is forecast to rise steadily throughout this period via a mix of tactical and strategic contracts. We are currently in discussions with key customers relating to new work which is driving turnover growth. In addition to this, we are deep in to the production process to satisfy substantial purchase orders already won in the financial year March 2022.

The impact of the Covid-19 pandemic has been thoroughly considered as part of the directors' review of the going concern basis of preparation. Revenue, costs and timings of cash flows have been adjusted to reflect the impact of the pandemic. The group has taken advantage of the HMRC Job Retention Scheme for those staff who have been furloughed, the deferral of VAT payments as well as the CBILS (Coronavirus Business Interruption Loan Scheme) taken on in March 2021.

Based on the above, the directors did not consider there to be material uncertainties regarding the going concern assessment. They also believe that the group is able to meet its liabilities as they fall due, they, and therefore it is appropriate to adopt the going concern basis of preparation for the financial statements.

The group has committed to support the company for the foreseeable future to enable it to continue to trade as a going concern.

ASG INVESTMENTS 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

1.3 Profit and loss account

The company has not traded during the year or the preceding financial period. During this time, the company received no income and incurred no expenditure and therefore no Profit and loss account is presented in these financial statements.

1.4 Fixed asset investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in profit or loss.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

1.5 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand.

1.6 Financial instruments

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the company's balance sheet when the company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Classification of financial liabilities

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

ASG INVESTMENTS 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

1 Accounting policies

(Continued)

Basic financial liabilities

Basic financial liabilities, including loans from fellow group companies are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

1.7 Equity instruments

Equity instruments issued by the company are recorded at the proceeds received, net of transaction costs.

Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

2 Judgements and key sources of estimation uncertainty

Preparation of the financial statements requires management to make significant judgements and estimates.

There are no judgements or estimates which have a material impact on the financial statements.

3 Employees

The average monthly number of persons (including directors) employed by the company during the year was:

	2021 Number	2020 Number
Management	1	1

4 Fixed asset investments

	Notes	2021 £	2020 £
Investments in subsidiaries	5	3,555,290	3,555,290

ASG INVESTMENTS 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2021

4 Fixed asset investments (Continued)

Movements in fixed asset investments

	Shares in group undertakings £
Cost or valuation	
At 1 April 2020 & 31 March 2021	3,555,290
Carrying amount	
At 31 March 2021	3,555,290
At 31 March 2020	3,555,290

5 Subsidiaries

Details of the company's subsidiaries at 31 March 2021 are as follows:

Name of undertaking	Registered office	Class of shares held	% Held Direct
Phoenix CNC Engineering Limited	England	Ordinary	100.00

6 Creditors: amounts falling due within one year

	2021 £	2020 £
Amounts owed to group undertakings	3,447,243	3,545,250
Other creditors	98,007	-
	<u>3,545,250</u>	<u>3,545,250</u>

7 Share capital

	2021 Number	2020 Number	2021 £	2020 £
Ordinary share capital Issued and fully paid				
A Ordinary of 1p each	700,000	700,000	7,000	7,000
B Ordinary of 1p each	300,000	300,000	3,000	3,000
C Ordinary of 1p each	4,000	4,000	40	40
	<u>1,004,000</u>	<u>1,004,000</u>	<u>10,040</u>	<u>10,040</u>

All shares are ranked as pari passu

ASG INVESTMENTS 1 LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2021

8 Financial commitments, guarantees and contingent liabilities

The company has provided an unlimited guarantee along with fellow group companies under common control regarding the investment made by Realta Investments Ireland DAC relating to Project Zephyr. This security given contains fixed and floating charges and a negative pledge.

9 Ultimate controlling party

The company's immediate parent company is ASG Aerospace Limited. The ultimate parent company of ASG Investments 1 Limited is Pasargad 1 Limited.

Copies of the consolidated financial statements of Aero Services Global Group Limited, which is both the smallest and largest group for which consolidated financial statements are prepared, may be obtained from No.1 Marsden Street, Manchester, England, M2 1HW.

The ultimate controlling party of ASG Investments 1 Limited is Said Amin Amiri, who is the sole shareholder of Pasargad 1 Limited, the General Partner of Amiri Assets III LP, which has the majority of the voting rights of Aero Services Global Group Limited.

10 Prior period adjustment

The prior period adjustment is to correct the exclusion of the 4,000 C Ordinary Shares in issue.

Changes to the balance sheet

	As previously reported	Adjustment	As restated at 31 Mar 2020
	£	£	£
Creditors due within one year			
Other creditors	(3,545,290)	40	(3,545,250)
	<u> </u>	<u> </u>	<u> </u>
Capital and reserves			
Share capital	10,000	40	10,040
Total equity	10,000	40	10,040
	<u> </u>	<u> </u>	<u> </u>

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.