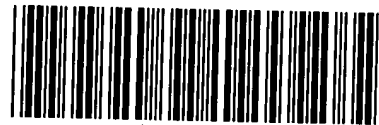


Amended.

REGISTERED NUMBER: 04494889 (England and Wales)

**STRATEGIC REPORT, REPORT OF THE DIRECTORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020  
FOR  
AVIA TECHNIQUE LIMITED**

TUESDAY



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**AVIA TECHNIQUE LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**AVIA TECHNIQUE LIMITED**

**COMPANY INFORMATION  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**DIRECTORS:** C J Wright  
R Sims

**SECRETARY:** C J Wright

**REGISTERED OFFICE:** Unit 1 Fishponds Estate  
Fishponds Road  
Wokingham  
Berkshire  
RG41 2QJ

**REGISTERED NUMBER:** 04494889 (England and Wales)

**AUDITORS:** Haines Watts  
Chartered Accountants and Statutory Auditors  
Advantage  
87 Castle Street  
Reading  
Berkshire  
RG1 7SN

**AVIA TECHNIQUE LIMITED**

**STRATEGIC REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their strategic report for the year ended 31 December 2020.

**REVIEW OF BUSINESS**

The directors aim to present a balanced and comprehensive review of the development and performance of the business during the year and of its position at the year end. The review is consistent with the size and non complex nature of the business and is written in the context of the risks and uncertainties faced by the business.

The turnover of the company decreased by 15% to 11.4m (2019 - 13.4m). Gross profit also decreased from £6.6m to £5.0m, resulting in a profit before taxation of £1.7m (2019 - £2.6m)

The average number of employees decreased from 86 to 75.

**PRINCIPAL RISKS AND UNCERTAINTIES**

The directors have considered the risks and uncertainties pertaining to the company and have identified potential increased competition and exchange rate fluctuations as current potential risk areas. However, the management have worked to assess these risks and taken appropriate action to mitigate them.

**FINANCIAL KEY PERFORMANCE INDICATORS**

The directors consider that the key financial performance indicators are those that communicate the financial performance and strength of the company as a whole, these being turnover, gross profit and net assets.

**ON BEHALF OF THE BOARD:**



.....  
C J Wright - Director

Date: 14-7-21 .....

## **AVIA TECHNIQUE LIMITED**

### **REPORT OF THE DIRECTORS FOR THE YEAR ENDED 31 DECEMBER 2020**

---

The directors present their report with the financial statements of the company for the year ended 31 December 2020.

#### **PRINCIPAL ACTIVITY**

The principal activity of the company in the year under review was that of the manufacture, repair and overhaul of aircraft equipment.

#### **DIVIDENDS**

The total distribution of dividends for the year ended 31 December 2020 will be £1,135,521.

#### **DIRECTORS**

The directors shown below have held office during the whole of the period from 1 January 2020 to the date of this report.

C J Wright  
R Sims

#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

The directors are responsible for preparing the Strategic Report, the Report of the Directors 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 AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

**AVIA TECHNIQUE LIMITED**

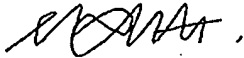
**REPORT OF THE DIRECTORS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**AUDITORS**

The auditors, Haines Watts, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**



.....  
C J Wright - Director

Date: 14-7-21 .....

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AVIA TECHNIQUE LIMITED

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### Opinion

We have audited the financial statements of Avia Technique Limited (the 'company') for the year ended 31 December 2020 which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 December 2020 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 Auditors' 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.

However, not all future events or conditions can be predicted. The COVID-19 viral pandemic is one of the most significant economic events for the UK with unprecedented levels of uncertainty of outcomes. It is therefore difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and wider economy. The Directors' view on the impact of COVID-19 is disclosed in the accounting policy note on Going Concern.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AVIA TECHNIQUE LIMITED

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### Other information

The directors are responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Directors, but does not include the financial statements and our Report of the Auditors 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 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 the audit:

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

### 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 or the Report of the Directors.

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.

### Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page three, 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 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AVIA TECHNIQUE LIMITED

---

### **Auditors' 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 a Report of the Auditors 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 extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates. We determined that the following laws and regulations were most significant: FRS102 - the Financial Reporting Standard applicable in the UK & The Republic of Ireland, the Companies Act 2006 and relevant tax compliance regulations in the UK.

We obtained an understanding of how the Company is complying with those legal and regulatory frameworks by making enquiries of management.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where management considered there was susceptibility to fraud. Audit procedures performed by the audit team included:

- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Identifying and testing journal entries, with a focus on entries made with unusual accounting combinations;
- Confirming with management whether they have knowledge of any actual, suspected or illegal fraud;
- Evaluating whether there was evidence of bias by management that represents a risk of material misstatement due to fraud.

These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error.

Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance with all laws and regulations.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF  
AVIA TECHNIQUE LIMITED**

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**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 a Report of the Auditors 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.

*Haines Watts*

Peter Wright BSc FCA (Senior Statutory Auditor)  
for and on behalf of Haines Watts  
Chartered Accountants and Statutory Auditors  
Advantage  
87 Castle Street  
Reading  
Berkshire  
RG1 7SN

19 July 2021

**AVIA TECHNIQUE LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2020**

		2020	2019 as restated £
	Notes	£	£
<b>TURNOVER</b>		<b>11,439,648</b>	13,427,654
Cost of sales		<u>6,379,212</u>	<u>6,799,850</u>
<b>GROSS PROFIT</b>		<b>5,060,436</b>	6,627,804
Administrative expenses		<u>3,677,567</u>	<u>4,248,068</u>
		<b>1,382,869</b>	2,379,736
Other operating income		<u>358,716</u>	<u>233,978</u>
<b>OPERATING PROFIT</b>	5	<b>1,741,585</b>	2,613,714
Interest payable and similar expenses	6	<u>2,542</u>	-
<b>PROFIT BEFORE TAXATION</b>		<b>1,739,043</b>	2,613,714
Tax on profit	7	<u>321,665</u>	<u>571,936</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>		<b>1,417,378</b>	2,041,778
<b>OTHER COMPREHENSIVE INCOME</b>		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>			<u>2,041,778</u>
Prior year adjustment	9	<u>158,200</u>	
<b>TOTAL COMPREHENSIVE INCOME SINCE LAST ANNUAL REPORT</b>		<u><u>1,575,578</u></u>	

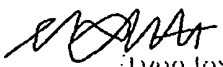
The notes form part of these financial statements

AVIA TECHNIQUE LIMITED (REGISTERED NUMBER: 04494889)

**BALANCE SHEET**  
31 DECEMBER 2020

	Notes	2020		2019 as restated	
		£	£	£	£
<b>FIXED ASSETS</b>					
Intangible assets	10		2,935		4,536
Tangible assets	11		342,402		385,045
Investments	12		92,723		73,997
			<u>438,060</u>		<u>463,578</u>
<b>CURRENT ASSETS</b>					
Stocks	13	2,541,873		2,044,261	
Debtors	14	3,199,992		3,074,558	
Cash at bank		565,591		218,618	
		<u>6,307,456</u>		<u>5,337,437</u>	
<b>CREDITORS</b>					
Amounts falling due within one year	15	2,841,972		2,184,368	
<b>NET CURRENT ASSETS</b>			<u>3,465,484</u>		<u>3,153,069</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			<u>3,903,544</u>		<u>3,616,647</u>
<b>PROVISIONS FOR LIABILITIES</b>	17		<u>157,626</u>		<u>152,586</u>
<b>NET ASSETS</b>			<u><u>3,745,918</u></u>		<u><u>3,464,061</u></u>
<b>CAPITAL AND RESERVES</b>					
Called up share capital	18		38,000		38,000
Retained earnings	19		3,707,918		3,426,061
<b>SHAREHOLDERS' FUNDS</b>			<u><u>3,745,918</u></u>		<u><u>3,464,061</u></u>

The financial statements were approved and authorised for issue by the Board of Directors and authorised for issue on 15/1/2021 and were signed on its behalf by:

  
 Type text here  
 .....  
 C J Wright - Director

The notes form part of these financial statements

**AVIA TECHNIQUE LIMITED**

**STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	Called up share capital £	Retained earnings £	Total equity £
<b>Balance at 1 January 2019</b>	38,000	3,858,885	3,896,885
<b>Changes in equity</b>			
Dividends	-	(2,474,602)	(2,474,602)
Total comprehensive income	-	1,883,578	1,883,578
<b>Balance at 31 December 2019</b>	<u>38,000</u>	<u>3,267,861</u>	<u>3,305,861</u>
Prior year adjustment	-	158,200	158,200
As restated	<u>38,000</u>	<u>3,426,061</u>	<u>3,464,061</u>
<b>Changes in equity</b>			
Dividends	-	(1,135,521)	(1,135,521)
Total comprehensive income	-	1,417,378	1,417,378
<b>Balance at 31 December 2020</b>	<u><u>38,000</u></u>	<u><u>3,707,918</u></u>	<u><u>3,745,918</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. STATUTORY INFORMATION**

Avia Technique Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

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

**Going Concern**

The financial statements have been prepared on a going concern basis. The Directors have reviewed and considered relevant information, including the annual budget and future cash flows in making their assessment. In particular, in response to the COVID-19 pandemic, the Directors have tested their cash flow analysis to take into account the impact on their business of possible scenarios brought on by the impact of COVID-19, alongside the measures that they can take to mitigate the impact. Based on these assessments, given the measures that could be undertaken to mitigate the current adverse conditions, and the current resources available, the Directors have concluded that they can continue to adopt the going concern basis in preparing the annual report and accounts.

**Financial Reporting Standard 102 - reduced disclosure exemptions**

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

- the requirements of Section 7 Statement of Cash Flows.

The Company's cash flow is included in the consolidated accounts of the immediate parent company, SK Aviation B.V. A copy of the consolidated accounts can be obtained from SK Aviation B.V. at Marketing 43, 6921 RE DUIVAN, Postbus 185, 6920 AD Duiven, Nederland

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES - continued**

**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.

Rendering of services

Revenue 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 revenue 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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

---

**2. ACCOUNTING POLICIES - continued**

**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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

- Plant & machinery - 5 years
- Fixtures & fittings - 5 years
- Computer equipment - 4 years
- Other fixed assets - 5-10 years

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.

**Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**Associates and joint ventures**

Associates and Joint Ventures are held at cost less impairment.

**Government grants**

Government grants relating to staff furlough payments are credited to the statement of comprehensive income as the related expenditure is incurred.

**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 weighted average basis. Work in progress and finished goods include labour and attributable overheads.

At each 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.

**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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

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2. ACCOUNTING POLICIES - continued

**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.

**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.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Statement of Comprehensive Income, 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.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**2. ACCOUNTING POLICIES - continued**

**Deferred tax**

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.

**Foreign currencies**

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. Nonmonetary 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.

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

**Operating leases**

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

Benefits received and receivable as an incentive to sign an operating lease are 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.

**Finance costs**

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

**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.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

2. ACCOUNTING POLICIES - continued

**Pension costs and other post-retirement benefits**

Defined contribution pension plan

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 the Statement of comprehensive income 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.

**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 the Statement of comprehensive income 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.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include the provision for doubtful debts, provision for obsolete and slow moving stock and the useful economic life of tangible fixed assets.

4. EMPLOYEES AND DIRECTORS

	2020	2019 as restated
	£	£
Wages and salaries	2,004,012	2,497,634
Social security costs	172,389	207,347
Other pension costs	86,805	94,769
	<u>2,263,206</u>	<u>2,799,750</u>

The average number of employees during the year was as follows:

	2020	2019 as restated
Employees	<u>75</u>	<u>86</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

4. EMPLOYEES AND DIRECTORS - continued

	2020	2019 as restated
	£	£
Directors' remuneration	-	203,013
Directors' pension contributions to money purchase schemes	-	4,375
	<u>          </u>	<u>          </u>

5. OPERATING PROFIT

The operating profit is stated after charging/(crediting):

	2020	2019 as restated
	£	£
Other operating leases	179,424	181,892
Depreciation - owned assets	151,411	157,891
Loss on disposal of fixed assets	-	667
Patents and licences amortisation	1,601	1,600
Auditors' remuneration	12,000	11,000
Foreign exchange differences	(19,567)	51,285
	<u>          </u>	<u>          </u>

6. INTEREST PAYABLE AND SIMILAR EXPENSES

	2020	2019 as restated
	£	£
Bank interest	579	-
Other interest payable	1,963	-
	<u>          </u>	<u>          </u>
	<u>2,542</u>	<u>          </u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

7. TAXATION

**Analysis of the tax charge**

The tax charge on the profit for the year was as follows:

	2020	2019 as restated
	£	£
Current tax:		
UK corporation tax	298,185	500,211
Over/under provision in prior year	18,440	71,725
Total current tax	<u>316,625</u>	<u>571,936</u>
Deferred tax	5,040	-
Tax on profit	<u>321,665</u>	<u>571,936</u>

**Reconciliation of total tax charge included in profit and loss**

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2020	2019 as restated
	£	£
Profit before tax	<u>1,739,043</u>	<u>2,613,714</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	330,418	496,606
Effects of:		
Expenses not deductible for tax purposes	(497)	3,605
Depreciation in excess of capital allowances	22,238	-
Adjustments to tax charge in respect of previous periods	18,440	71,725
Other movements	<u>(48,934)</u>	<u>-</u>
Total tax charge	<u>321,665</u>	<u>571,936</u>

8. DIVIDENDS

	2020	2019 as restated
	£	£
Ordinary shares of £1 each		
Final	<u>1,135,521</u>	<u>2,474,602</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

9. PRIOR YEAR ADJUSTMENT

A prior year adjustment has been made following a review of the basis of measuring work in progress.

Changes in profit and loss to 31 December 2019

Retained earnings have increased by £158,200 as a result of the following adjustments:

	£
Increase in revenue	450,462
Increase in cost of sales	(255,184)
Increase in corporation tax charge	(37,078)
	<u>158,200</u>

10. INTANGIBLE FIXED ASSETS

	Patents and licences £
<b>COST</b>	
At 1 January 2020 and 31 December 2020	<u>8,004</u>
<b>AMORTISATION</b>	
At 1 January 2020	3,468
Amortisation for year	<u>1,601</u>
At 31 December 2020	<u>5,069</u>
<b>NET BOOK VALUE</b>	
At 31 December 2020	<u>2,935</u>
At 31 December 2019	<u>4,536</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

11. TANGIBLE FIXED ASSETS

	Improvements to property £	Plant and machinery £	Fixtures and fittings £	Computer equipment £	Totals £
<b>COST</b>					
At 1 January 2020	329,434	485,675	58,394	297,877	1,171,380
Additions	82,644	19,116	-	7,008	108,768
At 31 December 2020	412,078	504,791	58,394	304,885	1,280,148
<b>DEPRECIATION</b>					
At 1 January 2020	175,859	350,130	40,318	220,028	786,335
Charge for year	55,364	51,189	6,642	38,216	151,411
At 31 December 2020	231,223	401,319	46,960	258,244	937,746
<b>NET BOOK VALUE</b>					
At 31 December 2020	180,855	103,472	11,434	46,641	342,402
At 31 December 2019	153,575	135,545	18,076	77,849	385,045

12. FIXED ASSET INVESTMENTS

	Interest in joint venture £
<b>COST</b>	
At 1 January 2020	73,997
Additions	18,726
At 31 December 2020	92,723
<b>NET BOOK VALUE</b>	
At 31 December 2020	92,723
At 31 December 2019	73,997

13. STOCKS

	2020 £	2019 as restated £
Work-in-progress	629,541	574,419
Finished goods	1,912,332	1,469,842
	2,541,873	2,044,261

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

<b>14. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2020</b>	<b>2019</b>
		as restated
	£	£
Trade debtors	1,975,687	2,206,992
Amounts owed by group undertakings	772,517	363,894
Amounts owed by joint ventures	315,500	320,576
Other debtors	75,157	33,121
Prepayments and accrued income	61,131	149,975
	<u>3,199,992</u>	<u>3,074,558</u>
<b>15. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR</b>	<b>2020</b>	<b>2019</b>
		as restated
	£	£
Trade creditors	852,853	688,585
Amounts owed to group undertakings	69,722	25,771
Tax	813,333	496,707
Social security and other taxes	129,019	41,403
Other creditors	220,647	120,537
Accruals and deferred income	756,398	811,365
	<u>2,841,972</u>	<u>2,184,368</u>
<b>16. LEASING AGREEMENTS</b>		
Minimum lease payments under non-cancellable operating leases fall due as follows:		
	<b>2020</b>	<b>2019</b>
		as restated
	£	£
Within one year	219,837	250,258
Between one and five years	118,229	310,234
	<u>338,066</u>	<u>560,492</u>
<b>17. PROVISIONS FOR LIABILITIES</b>	<b>2020</b>	<b>2019</b>
		as restated
	£	£
Deferred tax	57,626	52,586
Other provisions	100,000	100,000
	<u>157,626</u>	<u>152,586</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

17. PROVISIONS FOR LIABILITIES - continued

	Deferred tax £	Dilapidati on £
Balance at 1 January 2020	52,586	100,000
Provided during year	5,040	-
	<u>57,626</u>	<u>100,000</u>
Balance at 31 December 2020	<u>57,626</u>	<u>100,000</u>

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2020	2019 as restated
Number:	Class:		£	£
38,000	Ordinary	£1	<u>38,000</u>	<u>38,000</u>

19. RESERVES

	Retained earnings £
At 1 January 2020	3,267,861
Prior year adjustment	158,200
	<u>3,426,061</u>
Profit for the year	1,417,378
Dividends	(1,135,521)
	<u>3,707,918</u>
At 31 December 2020	<u>3,707,918</u>

20. PENSION COMMITMENTS

The Company operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the Company. The pension cost charge represents contributions payable by the Company to the fund of £86,805 (2019 - £94,769). Contributions totalling £13,300 (2019 - £16,360) were payable to the fund at the balance sheet date.

**NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**21. RELATED PARTY DISCLOSURES**

During the year the Company made sales of £153,293 (2019 - £387,203) to Destini Avia Technique SDN. BHD, a fellow group member that is not a wholly owned member of the group. At the balance sheet date, an amount of £6,038 (2019 - £14,322) was due to Destini Avia Technique SDN. BHD who in turn owed £288,860 (2019 - £302,445) to the Company.

The Company loaned the joint venture 500,000 Malaysian ringgit as part of the initial investment. A further 750,000 Malaysian ringgit has been loaned to the Company during the year ending 31 December 2017, at 31 December 2020 these loans are valued at £315,500 (2019 - £320,576).

The Company has taken advantage of the exemption under paragraph 33.1A of FRS 102 not to disclose transactions with other wholly owned group members.

**22. ULTIMATE CONTROLLING PARTY**

The Company's ultimate parent undertaking and controlling party was Levine Leightman Capital Partners Europe, LP.