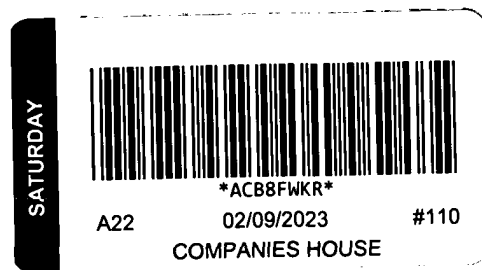


Company registration number 03141266 (England and Wales)

**SATAIR UK LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2022**



# SATAIR UK LIMITED

## COMPANY INFORMATION

---

<b>Directors</b>	H Reijnen M Vaquerizo Sanchez J S Rose	(Appointed 1 January 2022) (Appointed 1 July 2023)
<b>Company number</b>	03141268	
<b>Registered office</b>	Unit 3 Space Way North Feltham Trading Estate Feltham Middlesex TW14 0TH	
<b>Auditor</b>	Glazers 843 Finchley Road London NW11 8NA	
<b>Business address</b>	Unit 3 Space Way North Feltham Trading Estate Feltham Middlesex TW14 0TH	

# **SATAIR UK LIMITED**

## **CONTENTS**

---

	<b>Page</b>
Strategic report	1 - 2
Directors' report	3
Directors' responsibilities statement	4
Independent auditor's report	5 - 7
Income statement	8
Statement of comprehensive income	9
Statement of financial position	10
Statement of changes in equity	11
Statement of cash flows	12
Notes to the financial statements	13 - 24

# **SATAIR UK LIMITED**

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 31 DECEMBER 2022**

---

The directors present the strategic report for the year ended 31 December 2022.

#### **Fair review of the business**

Satair UK Limited is in the business of distribution & maintenance of aircraft main and emergency batteries for commercial airlines, helicopter, military and corporate market sectors of the aerospace aftermarket industry.

Our parent company, Satair A/S is a global distributor of aircraft spares and services primarily for the aftermarket and has headquarters in Copenhagen, Denmark. Satair A/S is in turn part of Airbus SE; a company listed in France, Germany and Spain and registered in the Netherlands.

The company operates in the following principal areas of activity:

- The maintenance of batteries (including maintenance, overhaul, repair, services) also known as Battery workshop
- The distribution of new batteries
- The provision of AFHS (Airbus Flight Hour Services) derives from inter-company business, focused on the distribution of parts and support the delivery of the contracts held between Airbus and commercial airlines.

The profit for the year after taxation is £190,848. Despite the significant saving on administrative expenses, increase of operating cost and wages under the UK's inflationary environment has prevented the company from achieving the profit for the financial level of 2022.

#### **Principal risks and uncertainties**

Satair UK is continually engaged in efforts to identify measures and where possible mitigate risk exposure. Outlined below is a list of these risks. This is not an exhaustive list nor are the risks listed in any priority.

##### Competition and Prices

Satair UK's Director identified a risk due to inflation, a significant increase in operating expenses, including wages. As a consequence Satair UK reviews pricing policy on an annual basis and market to monitor evolution and financial impact. The Company is able to recover its cost from customers and other entities within the group.

##### Foreign currency exposure

The majority of our stock is bought in either USD or EUR and so the majority of our sales is then converted to GBP at prevailing rates at the time of delivery. The company does not use financial instruments to hedge its exposure and relies on the natural hedged protection of its contracts and supply chain.

##### Credit, liquidity and cash flow risk

The directors consider this risk limited as Satair UK also uses the cash and overdraft borrowing provided by Satair A/S

# SATAIR UK LIMITED

## STRATEGIC REPORT (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

---

### Key performance indicators

The battery workshop has processed 18% more than the previous year. Our FHS operation also has seen an increase of its operations and established the performance level to 99%. The distribution business is now also seeing an increase in spite of the problems in the supply chain and level of stock to meet customer demands.

Internally, as consequence of Brexit, the reallocation of FHS business impacted the UK site with the transfer of stock for A220.

### Future Development

The Board continuously reviews which relationships support the generation and preservation of value in the Company. The Directors consider that during 2022 the recovery of the sector has consolidated and does not foresee significant changes in upcoming years. The forecast for the distribution and maintenance of batteries business lines is to continue with that trend.

### Business relationship with Suppliers

Satair UK has distributorships or sales agreements with the major battery manufactures around the world and as such, we are highly dependent upon our suppliers. The risk is reduced by not having exclusive rights and by having a number of differing distributorships with main OEM's. Overtime, Satair UK has also developed its credentials being one of the largest Battery workshops in Europe to increase services under those sales agreements and position itself as key partner.

### Business relationship with Customers

Satair UK provide services to in excess of 170 customers and augment sales via intercompany sales to out of territory-based users.

### Technology

Much of the technology used is tried & tested and new technology introduction is a long and complicated process requiring type approval & extensive testing. There is no doubt that new technology will at some time be proven and Satair UK is closely monitoring developments on OEM's such as solid electrolyte batteries and what is happening in other sectors such as automotive and solar.

Most importantly to mention, the need to develop the new generation of technicians to maintain skills and competences needed to sustain the business operations. Satair UK relies on in-house development and apprenticeship programmes.

On behalf of the board

  
.....  
M Vaquerize Sanchez  
Director  
.....

29/08/23

# SATAIR UK LIMITED

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

The directors present their report and financial statements for the year ended 31 December 2022.

#### Results and dividends

The results for the year are set out on page 8.

The company's business activities, together with the facts likely to affect its future development and position are set out in the strategic report.

The Directors conclude that the requirement of the UK business operations continues.

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:

H Reijnen	
A Bonnaud	(Resigned 30 June 2023)
M Vaquerizo Sanchez	(Appointed 1 January 2022)
J S Rose	(Appointed 1 July 2023)

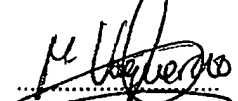
#### Auditor

The auditor, Glazers, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

#### 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.

On behalf of the board

  
.....  
M Vaquerizo Sanchez  
Director

Date: 29/08/2023

# **SATAIR UK LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

***FOR THE YEAR ENDED 31 DECEMBER 2022***

---

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;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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.

# SATAIR UK LIMITED

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATAIR UK LIMITED

---

### Opinion

We have audited the financial statements of Satair UK Limited (the 'company') for the year ended 31 December 2022 which comprise the income statement, the statement of comprehensive income, the statement of financial position, the statement of changes in equity, the statement of cash flows 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 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 2022 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.

# SATAIR UK LIMITED

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF SATAIR UK 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 or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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 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.

The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We gained an understanding of the legal and regulatory framework applicable to the company and the sector in which it operates, and considered the risk of acts by the company that were contrary to applicable laws and regulations, including fraud. We designed audit procedures to respond to the risk, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

We focussed on law and regulations which could give rise to material misstatements in the financial statements, including, but not limited to, the Companies Act 2006 and UK tax legislation. Our tests included agreeing the financial statements disclosures to underlying supporting documentation and enquiries with management. There are inherent limitations in the audit procedures described above and, the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We did not identify any key audit matters relating to irregularities, including fraud. As in all our audits, we also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

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.

# **SATAIR UK LIMITED**

## **INDEPENDENT AUDITOR'S REPORT (CONTINUED)**

### **TO THE MEMBERS OF SATAIR UK LIMITED**

---

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 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 members as a body, for our audit work, for this report, or for the opinions we have formed.

**Paraskumar Shah FCA**  
**Senior Statutory Auditor**  
**For and on behalf of Glazers**

31 August 2023

**Chartered Accountants**  
**Statutory Auditor**

843 Finchley Road  
London  
NW11 8NA

# SATAIR UK LIMITED

## INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	2021 £
Revenue	3	14,033,295	11,833,886
Cost of sales		(13,372,487)	(11,089,058)
<b>Gross profit</b>		<b>660,808</b>	<b>744,828</b>
Distribution costs		(113,664)	(81,353)
Administrative expenses		(493,633)	(736,014)
Other operating income		150,456	522,721
<b>Operating profit</b>	4	<b>203,967</b>	<b>450,182</b>
Investment income	7	62,551	-
Finance costs	8	(6,338)	-
<b>Profit before taxation</b>		<b>260,180</b>	<b>450,182</b>
Tax on profit	9	(69,332)	(156,985)
<b>Profit for the financial year</b>		<b>190,848</b>	<b>293,197</b>

The income statement has been prepared on the basis that all operations are continuing operations.

# SATAIR UK LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2022

---

	2022 £	2021 £
Profit for the year	190,848	293,197
Other comprehensive income	-	-
Total comprehensive income for the year	<u>190,848</u>	<u>293,197</u>

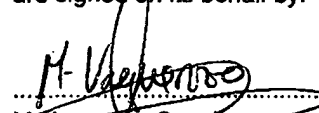
# SATAIR UK LIMITED

## STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2022

		2022		2021	
	Notes	£	£	£	£
<b>Non-current assets</b>					
Property, plant and equipment	10		877,882		1,016,279
<b>Current assets</b>					
Inventories	12	3,399,922		3,529,902	
Trade and other receivables	13	2,815,039		1,356,991	
Cash and cash equivalents		2,897,914		3,418,115	
		<u>9,112,875</u>		<u>8,305,008</u>	
<b>Current liabilities</b>	14	<u>(2,712,611)</u>		<u>(2,244,177)</u>	
<b>Net current assets</b>			6,400,264		6,060,831
<b>Total assets less current liabilities</b>			<u>7,278,146</u>		<u>7,077,110</u>
<b>Provisions for liabilities</b>					
Deferred tax liability	16	<u>60,298</u>	<u>(60,298)</u>	<u>50,110</u>	<u>(50,110)</u>
<b>Net assets</b>			<u>7,217,848</u>		<u>7,027,000</u>
<b>Equity</b>					
Called up share capital	18		125,000		125,000
Retained earnings			7,092,848		6,902,000
<b>Total equity</b>			<u>7,217,848</u>		<u>7,027,000</u>

The financial statements were approved by the board of directors and authorised for issue on 29/08/23 and are signed on its behalf by:

  
M. Vaquerizo Sanchez  
Director

Company registration number 03141268 (England and Wales)

# SATAIR UK LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2022

---

	Share capital £	Retained earnings £	Total £
<b>Balance at 1 January 2021</b>	125,000	6,608,803	6,733,803
<b>Year ended 31 December 2021:</b>			
Profit and total comprehensive income	-	293,197	293,197
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2021</b>	125,000	6,902,000	7,027,000
<b>Year ended 31 December 2022:</b>			
Profit and total comprehensive income	-	190,848	190,848
	<hr/>	<hr/>	<hr/>
<b>Balance at 31 December 2022</b>	<u>125,000</u>	<u>7,092,848</u>	<u>7,217,848</u>

# SATAIR UK LIMITED

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022 £	£	2021 £	£
<b>Cash flows from operating activities</b>					
Cash (absorbed by)/generated from operations	22		(264,553)		2,764,475
Interest paid			(6,338)		-
Income taxes (paid)/refunded			(251,911)		46,699
			<u>          </u>		<u>          </u>
<b>Net cash (outflow)/inflow from operating activities</b>			<b>(522,802)</b>		<b>2,811,174</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment		(23,687)		-	
Interest received		62,551		-	
		<u>          </u>		<u>          </u>	
<b>Net cash generated from/(used in) investing activities</b>			<b>38,864</b>		<b>-</b>
			<u>          </u>		<u>          </u>
<b>Net (decrease)/increase in cash and cash equivalents</b>			<b>(483,938)</b>		<b>2,811,174</b>
Cash and cash equivalents at beginning of year			3,377,666		566,492
			<u>          </u>		<u>          </u>
<b>Cash and cash equivalents at end of year</b>			<b>2,893,728</b>		<b>3,377,666</b>
			<u>          </u>		<u>          </u>
<b>Relating to:</b>					
Cash at bank and in hand			2,897,914		3,418,115
Bank overdrafts included in creditors payable within one year			(4,186)		(40,449)
			<u>          </u>		<u>          </u>

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

##### Company information

Satair UK Limited is a private company limited by shares incorporated in England and Wales. The registered office is Unit 3 Space Way, North Feltham Trading Estate, Feltham, Middlesex, TW14 0TH.

#### 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.

#### 1.2 Going concern

At the time of approving the financial statements, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the directors continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Revenue

Revenue is recognised at the fair value of the consideration received or receivable for goods and services provided in the normal course of business, and is shown net of VAT and other sales related taxes. The fair value of consideration takes into account trade discounts, settlement discounts and volume rebates.

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer (usually on despatch of the goods), the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Revenue from the provision of services, which relates to the re-charge and servicing of aviation batteries, is recognised once the service has been completed and despatched for return to the customer.

#### 1.4 Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Land and buildings Leasehold	Over the term of the lease
Plant and machinery	Over 10 years
Fixtures, fittings & equipment	Over 7 years
Computer equipment	Over 3 years

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is credited or charged to profit or loss.

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### 1.5 Impairment of non-current assets

At each reporting period end date, the company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.6 Inventories

Inventories are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition.

Inventories held for distribution at no or nominal consideration are measured at the lower of cost and replacement cost, adjusted where applicable for any loss of service potential.

At each reporting date, an assessment is made for impairment. Any excess of the carrying amount of inventories over its estimated selling price less costs to complete and sell is recognised as an impairment loss in profit or loss. Reversals of impairment losses are also recognised in profit or loss.

##### 1.7 Cash and cash equivalents

Cash and cash equivalents are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

##### 1.8 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 statement of financial position 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.

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### **Basic financial assets**

Basic financial assets, which include trade and other receivables 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.

##### **Other financial assets**

Other financial assets, including investments in equity instruments which are not subsidiaries, associates or joint ventures, are initially measured at fair value, which is normally the transaction price. Such assets are subsequently carried at fair value and the changes in fair value are recognised in profit or loss, except that investments in equity instruments that are not publicly traded and whose fair values cannot be measured reliably are measured at cost less impairment.

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

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

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

##### **Derecognition of financial assets**

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

##### **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.

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### **Basic financial liabilities**

Basic financial liabilities, including trade and other payables, bank loans, loans from fellow group companies and preference shares that are classified as debt, 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 payables 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 payables are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

##### **Other financial liabilities**

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or finance income as appropriate, unless hedge accounting is applied and the hedge is a cash flow hedge.

Debt instruments that do not meet the conditions in FRS 102 paragraph 11.9 are subsequently measured at fair value through profit or loss. Debt instruments may be designated as being measured at fair value through profit or loss to eliminate or reduce an accounting mismatch or if the instruments are measured and their performance evaluated on a fair value basis in accordance with a documented risk management or investment strategy.

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.

##### **Derecognition of financial liabilities**

Financial liabilities are derecognised when the company's contractual obligations expire or are discharged or cancelled.

#### 1.9 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.

#### 1.10 Derivatives

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to fair value at each reporting end date. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship.

A derivative with a positive fair value is recognised as a financial asset, whereas a derivative with a negative fair value is recognised as a financial liability.

#### 1.11 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 DECEMBER 2022

---

#### 1 Accounting policies

(Continued)

##### **Current tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

##### **Deferred tax**

Deferred taxation is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

#### 1.12 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense, unless those costs are required to be recognised as part of the cost of stock or non-current assets.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

#### 1.13 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

#### 1.14 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to profit or loss on a straight line basis over the term of the relevant lease except where another more systematic basis is more representative of the time pattern in which economic benefits from the leases asset are consumed.

#### 1.15 Foreign exchange

Transactions in currencies other than pounds sterling are recorded at the rates of exchange prevailing at the dates of the transactions. At each reporting end date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing on the reporting end date. Gains and losses arising on translation in the period are included in profit or loss.

#### 2 Judgements and key sources of estimation uncertainty

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

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

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 3 Revenue

An analysis of the company's revenue is as follows:

	2022	2021
	£	£
<b>Revenue analysed by class of business</b>		
Sales of goods and services	14,033,295	11,833,886

	2022	2021
	£	£
<b>Revenue analysed by geographical market</b>		
Europe and UK	10,889,880	8,797,917
Asia	2,116,783	1,628,491
USA	1,010,557	1,358,845
Other	16,075	48,633
	<u>14,033,295</u>	<u>11,833,886</u>

	2022	2021
	£	£
<b>Other revenue</b>		
Interest income	62,551	-

### 4 Operating profit

	2022	2021
	£	£
Operating profit for the year is stated after charging/(crediting):		
Exchange gains	(531,289)	(311,514)
Fees payable to the company's auditor for the audit of the company's financial statements	17,000	16,000
Depreciation of owned property, plant and equipment	162,084	186,921
Operating lease charges	327,774	328,132

### 5 Employees

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

	2022	2021
	Number	Number
Directors	1	2
Sales and operations staff	30	22
Administrative staff	2	2
Total	<u>33</u>	<u>26</u>

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

		(Continued)	
<b>5</b>	<b>Employees</b>		
	Their aggregate remuneration comprised:		
		2022	2021
		£	£
	Wages and salaries	1,440,936	1,044,280
	Social security costs	151,799	106,373
	Pension costs	108,823	101,970
		<u>1,701,558</u>	<u>1,252,623</u>
<b>6</b>	<b>Directors' remuneration</b>		
		2022	2021
		£	£
	Remuneration for qualifying services	109,808	81,364
	Company pension contributions to defined contribution schemes	11,000	6,927
		<u>120,808</u>	<u>88,291</u>
<b>7</b>	<b>Investment income</b>		
		2022	2021
		£	£
	Interest income		
	Other interest income	62,551	-
		<u>62,551</u>	<u>-</u>
<b>8</b>	<b>Finance costs</b>		
		2022	2021
		£	£
	Other finance costs:		
	Other interest	6,338	-
		<u>6,338</u>	<u>-</u>
<b>9</b>	<b>Taxation</b>		
		2022	2021
		£	£
	Current tax		
	UK corporation tax on profits for the current period	59,144	103,269
	Adjustments in respect of prior periods	-	62,678
		<u>59,144</u>	<u>165,947</u>

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

<b>Deferred tax</b>		
Origination and reversal of timing differences	10,188	(8,962)
	<u>10,188</u>	<u>(8,962)</u>
<b>Total tax charge</b>	<u>69,332</u>	<u>156,985</u>

The actual charge for the year can be reconciled to the expected charge for the year based on the profit or loss and the standard rate of tax as follows:

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Profit before taxation	<u>260,180</u>	<u>450,182</u>
Expected tax charge based on the standard rate of corporation tax in the UK of 19.00% (2021: 19.00%)	49,434	85,535
Tax effect of expenses that are not deductible in determining taxable profit	9,710	17,734
Under/(over) provided in prior years	-	62,678
Deferred tax adjustments	<u>10,188</u>	<u>(8,962)</u>
<b>Taxation charge for the year</b>	<u>69,332</u>	<u>156,985</u>

### 10 Property, plant and equipment

	Land and buildings Leasehold	Plant and machinery	Fixtures, fittings & equipment	Computer equipment	Total
	£	£	£	£	£
<b>Cost</b>					
At 1 January 2022	281,890	1,235,743	112,127	121,790	1,751,550
Additions	-	23,687	-	-	23,687
	<u>281,890</u>	<u>1,259,430</u>	<u>112,127</u>	<u>121,790</u>	<u>1,775,237</u>
<b>At 31 December 2022</b>	<u>281,890</u>	<u>1,259,430</u>	<u>112,127</u>	<u>121,790</u>	<u>1,775,237</u>
<b>Depreciation and impairment</b>					
At 1 January 2022	65,776	491,642	56,063	121,790	735,271
Depreciation charged in the year	18,793	127,273	16,018	-	162,084
	<u>84,569</u>	<u>618,915</u>	<u>72,081</u>	<u>121,790</u>	<u>897,355</u>
<b>At 31 December 2022</b>	<u>84,569</u>	<u>618,915</u>	<u>72,081</u>	<u>121,790</u>	<u>897,355</u>
<b>Carrying amount</b>					
At 31 December 2022	<u>197,321</u>	<u>640,515</u>	<u>40,046</u>	<u>-</u>	<u>877,882</u>
At 31 December 2021	<u>216,114</u>	<u>744,101</u>	<u>56,064</u>	<u>-</u>	<u>1,016,279</u>

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

<b>11</b>	<b>Financial instruments</b>		<b>2022</b>	<b>2021</b>
			<b>£</b>	<b>£</b>
	<b>Carrying amount of financial assets</b>			
	Debt instruments measured at amortised cost		1,710,383	1,199,490
			<u>          </u>	<u>          </u>
	<b>Carrying amount of financial liabilities</b>			
	Measured at amortised cost		2,604,561	2,087,351
			<u>          </u>	<u>          </u>
<b>12</b>	<b>Inventories</b>		<b>2022</b>	<b>2021</b>
			<b>£</b>	<b>£</b>
	Finished goods and goods for resale		3,399,922	3,529,902
			<u>          </u>	<u>          </u>
<b>13</b>	<b>Trade and other receivables</b>		<b>2022</b>	<b>2021</b>
			<b>£</b>	<b>£</b>
	<b>Amounts falling due within one year:</b>			
	Trade receivables		840,888	419,837
	Corporation tax recoverable		89,498	-
	Amounts owed by group undertakings		869,495	779,653
	Prepayments and accrued income		1,015,158	157,501
			<u>          </u>	<u>          </u>
			2,815,039	1,356,991
			<u>          </u>	<u>          </u>
	Trade receivables disclosed above are measured at amortised cost.			
<b>14</b>	<b>Current liabilities</b>		<b>2022</b>	<b>2021</b>
		<b>Notes</b>	<b>£</b>	<b>£</b>
	Bank loans and overdrafts	15	4,186	40,449
	Trade payables		2,111,601	1,701,850
	Corporation tax		-	103,269
	Other taxation and social security		108,050	53,557
	Accruals and deferred income		488,774	345,052
			<u>          </u>	<u>          </u>
			2,712,611	2,244,177
			<u>          </u>	<u>          </u>

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 15 Borrowings

	2022	2021
	£	£
Bank overdrafts	4,186	40,449
Payable within one year	4,186	40,449

### 16 Deferred taxation

The following are the major deferred tax liabilities and assets recognised by the company and movements thereon:

	Liabilities 2022	Liabilities 2021
	£	£
<b>Balances:</b>		
ACAs	60,298	50,110
<b>Movements in the year:</b>		2022
		£
Liability at 1 January 2022		50,110
Credit to profit or loss		(5,637)
Effect of change in tax rate - profit or loss		15,825
Liability at 31 December 2022		60,298

Deferred tax assets and liabilities are offset where the company has a legally enforceable right to do so.

### 17 Retirement benefit schemes

	2022	2021
	£	£
Defined contribution schemes		
Charge to profit or loss in respect of defined contribution schemes	108,823	101,970

The company operates a defined contribution pension scheme for all qualifying employees. The assets of the scheme are held separately from those of the company in an independently administered fund.

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 DECEMBER 2022

### 18 Share capital

	2022	2021	2022	2021
	Number	Number	£	£
Ordinary share capital Issued and fully paid				
Ordinary shares of £1 each	125,000	125,000	125,000	125,000

### 19 Operating lease commitments

#### Lessee

At the reporting end date the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022	2021
	£	£
Within one year	278,338	290,057
Between two and five years	1,108,184	1,109,476
In over five years	1,339,056	1,616,102
	<u>2,725,578</u>	<u>3,015,635</u>

### 20 Related party transactions

#### Transactions with related parties

The company has taken advantage of the exemption available in FRS 102 "Related party disclosures" whereby it has not disclosed transactions with the ultimate parent company or any wholly owned subsidiary undertaking of the group.

### 21 Ultimate controlling party

The immediate parent company is Satair A/S, a company incorporated in Denmark.

The ultimate parent company is Airbus SE., a company listed and registered in the Netherlands. The consolidated financial statements of Airbus SE. are publically available at [www.airbus.com](http://www.airbus.com).

# SATAIR UK LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2022

### 22 Cash (absorbed by)/generated from operations

	2022	2021
	£	£
Profit for the year after tax	190,848	293,197
<b>Adjustments for:</b>		
Taxation charged	69,332	156,985
Finance costs	6,338	-
Investment income	(62,551)	-
Depreciation and impairment of property, plant and equipment	162,084	186,921
<b>Movements in working capital:</b>		
Decrease in inventories	129,980	650,657
(Increase)/decrease in trade and other receivables	(1,368,550)	113,309
Increase in trade and other payables	607,966	1,363,406
<b>Cash (absorbed by)/generated from operations</b>	<u>(264,553)</u>	<u>2,764,475</u>

### 23 Analysis of changes in net funds

	1 January 2022	Cash flows	31 December 2022
	£	£	£
Cash at bank and in hand	3,418,115	(520,201)	2,897,914
Bank overdrafts	(40,449)	36,263	(4,186)
	<u>3,377,666</u>	<u>(483,938)</u>	<u>2,893,728</u>