

REGISTERED NUMBER: 00961458 (England and Wales)

AALBERTS SURFACE TECHNOLOGIES LIMITED
STRATEGIC REPORT, REPORT OF THE DIRECTOR AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021

Jerroms GCN Ltd
Westpoint, Second.Floor
Mucklow Office Park
Mucklow Hill
Halesowen
West Midlands
B62 8DY



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FOR THE YEAR ENDED 31 DECEMBER 2021**

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AALBERTS SURFACE TECHNOLOGIES LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTOR: P T Brown

SECRETARY: S J Bosley

REGISTERED OFFICE: Field Industrial Estate
Clover Street
Kirkby-in-Ashfield
Nottingham
NG17 7LJ

REGISTERED NUMBER: 00961458 (England and Wales)

AUDITORS: Jerroms GCN Ltd
Westpoint, Second Floor
Mucklow Office Park
Mucklow Hill
Halesowen
West Midlands
B62 8DY

AALBERTS SURFACE TECHNOLOGIES LIMITED (REGISTERED NUMBER: 00961458)

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents his strategic report for the year ended 31 December 2021.

REVIEW OF BUSINESS

The company is a wholly owned subsidiary of Aalberts N.V., a Netherlands based manufacturing group.

Responsibility for day to day management of the business rests with the site senior management team, with support provided by group personnel as required.

Revenue in 2021 was down on 2020 due to the impacts of Covid-19 and specifically its effect on the aerospace and aviation sector. This sector represents a very large proportion of the overall activity for the business and sales are affected accordingly. The major impact of the pandemic was felt during the second half of 2020 and continued throughout 2021 as the aerospace and defence industries struggled to recover.

The organisation was compelled to optimise its processes and pro-actively adapt to the changing market and economic conditions.

Despite a number of forced personnel changes, throughout the crisis, the company has continued to invest in technological development of new and existing processes in readiness for the anticipated recovery.

Additional focus has been on the implementation and qualification of REACH compliant processes for the aerospace manufacturing sector in particular as the industry readies itself for the expected re-growth in passenger traffic.

The general operating conditions are expected to improve incrementally through 2022 and beyond as the aerospace and aviation market recovers from the crisis.

Aalberts group has continued to invest in the Nottingham plant in many areas to ensure that the business is well placed to respond to the 're-growth' through the coming 12-24 months.

In general, the management team have done an excellent job in ensuring costs within the business were well controlled and in line with revenue. The result in operating profit is considered to be a success despite the ongoing challenging conditions as a result of the COVID-19 pandemic and the additional impact of the war in Ukraine.

No dividends have been declared or paid in respect of the year under review, as profits are being retained in the business to assist further growth. As a result, the net assets of the company increased from £9.33m to £10.13m.

**STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

PRINCIPAL RISKS AND UNCERTAINTIES

The management of the business and the development of the company's strategy are subject to a number of risks. The key business risks affecting the company are set out below:

Uncertainty in global financial and industrial markets

Although the company is heavily focused on the support of UK and European manufacturers, the trends and movements in global manufacturing will impact on the opportunities for growth. A high proportion of the aerospace products manufactured in these regions are for worldwide markets, hence any negative political or financial movements could impact on demand and reduce growth forecasts.

Process approvals

Obtaining new and retaining existing process approvals is essential to enable the company to target the growth sectors of the UK and European manufacturing market and improve the company's profitability. Failure to obtain new or retain existing process approvals will adversely affect the company's ability to increase its turnover and market share and overall profitability.

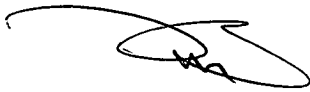
Employees

The company's performance depends to a significant degree on the senior management team and the experienced workforce. The resignation of key individuals and the inability to recruit people with appropriate experience and skills could adversely affect the company's results. Similarly, current labour shortages may present challenges as the aerospace supply chain ramps up.

Disaster recovery

The company's main IT systems are managed and controlled by an Aalberts group company located in Germany. Data is backed-up on servers at that location and also on to local servers, thereby providing the ability to recover data in the event of a failure in the group IT systems.

ON BEHALF OF THE BOARD:



P T Brown - Director

20 December 2022

AALBERTS SURFACE TECHNOLOGIES LIMITED (REGISTERED NUMBER: 00961458)

**REPORT OF THE DIRECTOR
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents his report with the financial statements of the company for the year ended 31 December 2021.

DIRECTOR

P T Brown held office during the whole of the period from 1 January 2021 to the date of this report.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Strategic Report, the Report of the Director and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has 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 director must not approve the financial statements unless he is 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 director is 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 director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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 director is 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 he 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.

AUDITORS

The auditors, Jerroms GCN Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:



P T Brown - Director

20 December 2022

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AALBERTS SURFACE TECHNOLOGIES LIMITED

Qualified Opinion

We have audited the financial statements of Aalberts Surface Technologies Limited (the 'company') for the year ended 31 December 2021 which comprise the Income Statement, Other 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).

We have audited the financial statements of Aalberts Surface Technologies Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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, except for the effects of the matter described in the basis for qualified opinion section of our report, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2021 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

Limitation of scope

We were not appointed as auditors of the company until June 2022. Accordingly we have not audited financial statements for the year ended 31 December 2020. There were no satisfactory audit procedures that we could apply to verify some of the comparative figures, although we are satisfied that the majority of the opening balances at 1 January 2021 were reasonably accurate. Also we were unable to physically attend the company's stocktake as at 31 December 2021 and so cannot confirm the quantity or valuation of stock at the year end date.

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 qualified opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 director with respect to going concern are described in the relevant sections of this report.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AALBERTS SURFACE TECHNOLOGIES LIMITED

Other information

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, 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 Director 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 Director 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 Director.

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 director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report or in preparing the Report of the Director.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page four, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF AALBERTS SURFACE TECHNOLOGIES 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.

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

In identifying and assessing risks of material misstatement in respect to irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

a) Enquiries of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to: - Identifying, evaluating and complying with laws and regulations. - Whether they are aware of any instances of non-compliance.

b) As with all audits performed under ISAs (UK), performance of procedures to respond to the risk of the management override of controls.

c) We obtained an understanding of the legal and regulatory frameworks in which the company operates, focusing on those laws which had a direct effect on the material balances and disclosures in the company's financial statements. Key laws and regulations considered in this context were: - Companies Act 2006 - The Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)

d) In addition, we considered other laws and regulations that do not have a direct effect on the financial statements, but compliance is necessary for the continued operations of the company, or to avoid a material penalty.

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation.

- Enquiring of management concerning any actual or potential litigation or claims.

- Reviewing minutes of meetings of those charged with governance and correspondence with HMRC.

- In assessment of the risk of fraud through management override of controls, we have tested the appropriateness of journal entries, assessed whether the judgements made in the company making accounting estimates are indicative of a potential management bias and evaluated the business rationale of any significant transactions that are outside the normal course of business.

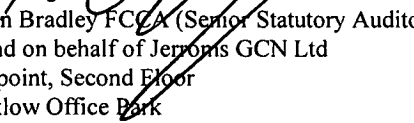
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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. This description forms part of our Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AALBERTS SURFACE TECHNOLOGIES LIMITED**

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.



Martin Bradley FCCA (Senior Statutory Auditor)
for and on behalf of Jerrons GCN Ltd
Westpoint, Second Floor
Mucklow Office Park
Mucklow Hill
Halesowen
West Midlands
B62 8DY

20 December 2022

AALBERTS SURFACE TECHNOLOGIES LIMITED (REGISTERED NUMBER: 00961458)

**INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER	3	3,917,885	4,584,803
Cost of sales		<u>(2,236,939)</u>	<u>(2,510,097)</u>
GROSS PROFIT		1,680,946	2,074,706
Administrative expenses		<u>(1,276,038)</u>	<u>(1,322,664)</u>
		404,908	752,042
Other operating income		<u>20,733</u>	<u>-</u>
OPERATING PROFIT	5	425,641	752,042
Interest receivable and similar income		<u>61,953</u>	<u>61,063</u>
PROFIT BEFORE TAXATION		487,594	813,105
Tax on profit	7	<u>314,810</u>	<u>37,080</u>
PROFIT FOR THE FINANCIAL YEAR		<u>802,404</u>	<u>850,185</u>

The notes form part of these financial statements

AALBERTS SURFACE TECHNOLOGIES LIMITED (REGISTERED NUMBER: 00961458)

**OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
PROFIT FOR THE YEAR		802,404	850,185
OTHER COMPREHENSIVE INCOME		<u>-</u>	<u>-</u>
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>802,404</u>	<u>850,185</u>

The notes form part of these financial statements

AALBERTS SURFACE TECHNOLOGIES LIMITED (REGISTERED NUMBER: 00961458)

**BALANCE SHEET
31 DECEMBER 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	8	4,067,958	3,725,653
CURRENT ASSETS			
Stocks	9	131,624	94,387
Debtors	10	7,006,134	6,550,727
Cash in hand		750	750
		<u>7,138,508</u>	<u>6,645,864</u>
CREDITORS			
Amounts falling due within one year	11	(946,420)	(506,262)
NET CURRENT ASSETS		<u>6,192,088</u>	<u>6,139,602</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		10,260,046	9,865,255
PROVISIONS FOR LIABILITIES	13	(128,840)	(536,453)
NET ASSETS		<u><u>10,131,206</u></u>	<u><u>9,328,802</u></u>
CAPITAL AND RESERVES			
Called up share capital	14	514,000	514,000
Share premium	15	26,000	26,000
Revaluation reserve	15	1,647,427	1,368,576
Retained earnings	15	7,943,779	7,420,226
SHAREHOLDERS' FUNDS		<u><u>10,131,206</u></u>	<u><u>9,328,802</u></u>

The financial statements were approved by the director and authorised for issue on 20 December 2022 and were signed by:



P T Brown - Director

The notes form part of these financial statements

AALBERTS SURFACE TECHNOLOGIES LIMITED (REGISTERED NUMBER: 00961458)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 January 2020	514,000	6,570,041	26,000	1,368,576	8,478,617
Changes in equity					
Total comprehensive income	-	850,185	-	-	850,185
Balance at 31 December 2020	<u>514,000</u>	<u>7,420,226</u>	<u>26,000</u>	<u>1,368,576</u>	<u>9,328,802</u>
Changes in equity					
Total comprehensive income	-	523,553	-	278,851	802,404
Balance at 31 December 2021	<u><u>514,000</u></u>	<u><u>7,943,779</u></u>	<u><u>26,000</u></u>	<u><u>1,647,427</u></u>	<u><u>10,131,206</u></u>

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

1. STATUTORY INFORMATION

Aalberts Surface Technologies 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.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions 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 requirements of paragraphs 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of paragraph 33.7.

Significant judgements and estimates

In the application of the Company's accounting policies, which are described in note 2, the director is required to make judgements, estimates and assumptions about the carrying amounts 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.

Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There are no critical accounting judgements which need to be brought to the attention of the users of these financial statements.

Other estimates, assumptions and judgements are applied by the company. These include, but not limited to, cost of sales, general overhead expenditure and provisions. These estimates, assumptions and judgements are evaluated on a continual basis but are not significant.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Tangible fixed assets

Depreciation is provided at rates calculated to write off the cost, less estimated residual value, of fixed assets on a straight line basis over their expected useful lives, other than assets in the course of construction that are not depreciated until they are brought into use, which are as follows:

Asset Class	Depreciation method
Short leasehold buildings	unexpired period of lease
Plant and machinery	10% to 50% per annum
Motor vehicles	25% per annum

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

2. ACCOUNTING POLICIES - continued

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit and loss.

Taxation

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

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

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to profit or loss on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

AALBERTS SURFACE TECHNOLOGIES LIMITED (REGISTERED NUMBER: 00961458)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	1,870,885	2,712,803
Europe	1,815,000	1,672,000
Asia	31,000	11,000
Africa	2,000	3,000
Central and South America	199,000	186,000
	<u>3,917,885</u>	<u>4,584,803</u>

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	1,331,851	1,483,628
Social security costs	126,867	143,057
Other pension costs	131,006	131,727
	<u>1,589,724</u>	<u>1,758,412</u>

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

	2021	2020
Production	41	39
Administration and support	17	13
	<u>58</u>	<u>52</u>

	2021	2020
	£	£
Director's remuneration	123,334	115,004
Director's pension contributions to money purchase schemes	10,918	8,852
	<u>134,252</u>	<u>123,856</u>

The number of directors to whom retirement benefits were accruing was as follows:

	2021	2020
Money purchase schemes	<u>1</u>	<u>1</u>

AALBERTS SURFACE TECHNOLOGIES LIMITED (REGISTERED NUMBER: 00961458)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

5. OPERATING PROFIT

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

	2021	2020
	£	£
Hire of plant and machinery	20,236	21,960
Depreciation - owned assets	207,100	196,989
Foreign exchange differences	22,521	(35,717)
	<u>229,857</u>	<u>283,232</u>

6. EXCEPTIONAL ITEMS

	2021	2020
	£	£
Exceptional items	<u>-</u>	<u>(77,900)</u>

Included within administrative expenses are exceptional items for the prior year. The amount above is related to associated costs for staff redundancy packages.

7. TAXATION

Analysis of the tax credit

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

	2021	2020
	£	£
Current tax:		
UK corporation tax	92,803	(57,187)
Deferred tax	<u>(407,613)</u>	<u>20,107</u>
Tax on profit	<u>(314,810)</u>	<u>(37,080)</u>

Reconciliation of total tax credit 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:

	2021	2020
	£	£
Profit before tax	<u>487,594</u>	<u>813,105</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	92,643	154,490
Effects of:		
Expenses not deductible for tax purposes	14,784	15,803
Adjustments to tax charge in respect of previous periods	(453,159)	(53,180)
Tax rate changes	30,922	6,531
Tax decrease arising from group relief	<u>-</u>	<u>(160,724)</u>
Total tax credit	<u>(314,810)</u>	<u>(37,080)</u>

AALBERTS SURFACE TECHNOLOGIES LIMITED (REGISTERED NUMBER: 00961458)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

8. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings & equipment £	Totals £
COST			
At 1 January 2021	2,752,534	2,454,062	5,206,596
Additions	170,724	378,681	549,405
At 31 December 2021	<u>2,923,258</u>	<u>2,832,743</u>	<u>5,756,001</u>
DEPRECIATION			
At 1 January 2021	78,320	1,402,623	1,480,943
Charge for year	58,920	148,180	207,100
At 31 December 2021	<u>137,240</u>	<u>1,550,803</u>	<u>1,688,043</u>
NET BOOK VALUE			
At 31 December 2021	<u>2,786,018</u>	<u>1,281,940</u>	<u>4,067,958</u>
At 31 December 2020	<u>2,674,214</u>	<u>1,051,439</u>	<u>3,725,653</u>

The fair value of the company's land and buildings were revalued on 31 December 2018 by an independent valuer, Richard D. Calder BSc. FRICS. RICS. The valuation was £2,780,000 and was based on the existing market conditions and conditions with vacant possession as at 7 October 2019.

Had the land and buildings been measure on the historical cost basis, the carrying amount would have been £1,417,442 (2020: £1,337,052).

9. STOCKS

	2021 £	2020 £
Stocks	<u>131,624</u>	<u>94,387</u>

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £	2020 £
Trade debtors	572,894	529,991
Amounts owed by group undertakings	6,259,303	5,731,828
Other debtors	70,643	27,233
Tax	36,233	94,352
VAT	38,572	124,237
Prepayments and accrued income	28,489	43,086
	<u>7,006,134</u>	<u>6,550,727</u>

AALBERTS SURFACE TECHNOLOGIES LIMITED (REGISTERED NUMBER: 00961458)

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade creditors	646,720	305,720
Social security and other taxes	32,565	28,053
Other creditors	11,924	9,952
Accruals and deferred income	255,211	162,537
	<u>946,420</u>	<u>506,262</u>

12. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2021	2020
	£	£
Within one year	11,182	13,135
Between one and five years	20,151	3,750
	<u>31,333</u>	<u>16,885</u>

13. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	128,840	536,453

	Deferred tax
	£
Balance at 1 January 2021	536,453
Charge to Income Statement during year	45,442
Adjustment of prior years	(453,054)
Rounding	(1)
Balance at 31 December 2021	<u>128,840</u>

14. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:			2021	2020
Number:	Class:	Nominal value:	£	£
514,000	Ordinary	£1	<u>514,000</u>	<u>514,000</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued
FOR THE YEAR ENDED 31 DECEMBER 2021**

15. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2021	7,420,226	26,000	1,368,576	8,814,802
Profit for the year	802,404			802,404
Transfer due to deferred tax adjustment	(278,851)	-	278,851	-
At 31 December 2021	<u>7,943,779</u>	<u>26,000</u>	<u>1,647,427</u>	<u>9,617,206</u>

16. OTHER FINANCIAL COMMITMENTS

The company is a member of a cash pooling arrangement, maintained by BNP Paribas, with other selected Aalberts Group companies incorporated in the U.K. This arrangement requires that each company party to the agreement provides a limited guarantee covering any default on the repayment or overdraft facilities by any other member of the group. The maximum agreed facility on the arrangement is £25,000,000 of which £8,000,000 is allocated for use by Hauck Heat Treatment Limited but within the option to use other Aalberts Group members allocations as necessary so long as the pool remains within the £25,000,000 arrangement. The director considers the likelihood of this being called upon as remote.

17. ULTIMATE CONTROLLING PARTY

The company's immediate parent company is Aalberts UK Ltd (company number 03596780), incorporated in England.

The ultimate parent company is Aalberts N.V. (registration number 30089954), incorporated in the Netherlands.