

**Strategic Report, Report of the Director and
Financial Statements
for the Year Ended 31 December 2022
for
Aalberts Surface Technologies Limited**

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for the Year Ended 31 December 2022**

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Aalberts Surface Technologies Limited

**Company Information
for the Year Ended 31 December 2022**

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: Bourne & Co.
Statutory Auditors
3 Charnwood Street
Derby
Derbyshire
DE1 2GY

**Strategic Report
for the Year Ended 31 December 2022**

The director presents his strategic report for the year ended 31 December 2022.

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 locally with support provided by Group personnel as required.

The Aerospace and Defence sectors saw a moderate recovery during 2022 which, along with the first full year of integration of the former Aalberts Surface Treatment Tamworth business activities, has contributed to a significant improvement in the revenue performance for the combined business of 6.7% on prior year.

The combined organisations have continued to invest in improved technologies in strategic areas of the business in order to support what is anticipated to be a continued recovery in aerospace and defence markets along with opportunities in other developing sectors (Electric Vehicles for example).

Focus on the investment in REACH compliant alternatives to SVHC's has continued such that prime approvals are now in place to allow for the provision of 'safe' alternative coatings.

In addition, the company has invested significantly in upgrading its IVD capability to open up additional capacity in readiness for anticipated increased demand in the defence sector and to protect for the long term future of the process. This investment is well supported by the Aalberts group such that it will continue well into 2023.

The combined organisations have suffered a number of personnel changes post Covid due to the slowdown during the pandemic and more recently to the integration. This continues to be challenging not least because of the countrywide shortage of labour.

Implementation of above average pay increases, investment in training opportunities designed to deliver improved prospects and business growth along with site wide capital investment are factors which are aimed at improving the opportunity to attract and keep good employees.

Medium to long term, driving improvement by implementation of lean, cost efficient and environmentally compliant processes along with the continued development of alternatives in chemical and energy utilisation will help to ensure sustainability for the organisation going forward.

The outlook for 2023 is very encouraging as the business is likely to benefit from the continued recovery in aerospace and defence post Covid along with the development items mentioned above.

**Strategic Report
for the Year Ended 31 December 2022**

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 the UK and European manufacturers, the trends and movements in global manufacturing will impact 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 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

16 June 2023

**Report of the Director
for the Year Ended 31 December 2022**

The director presents his report with the financial statements of the company for the year ended 31 December 2022.

PRINCIPAL ACTIVITY

The principal activity of the company is the provision of specialist surface engineering and metal finishing services.

The company operates in high level critical industries with very exacting quality management system and appropriate/applicable accreditation requirements.

The business maintains a very high number of approvals in the aerospace and defence sector and continues to successfully develop systems / procedures / skills etc. required to support this challenging environment.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2022.

DIRECTOR

P T Brown held office during the whole of the period from 1 January 2022 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, Bourne & Co., will be proposed for re-appointment at the forthcoming Annual General Meeting.

ON BEHALF OF THE BOARD:

P T Brown - Director

16 June 2023

Report of the Independent Auditors to the Members of Aalberts Surface Technologies Limited

Opinion

We have audited the financial statements of Aalberts Surface Technologies Limited (the 'company') for the year ended 31 December 2022 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).

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 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 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.

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.

Report of the Independent Auditors to the Members of Aalberts Surface Technologies Limited

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.

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:

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations was as follows:

- the senior statutory auditor ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the financial reporting legislation, Companies Act 2006, taxation legislation, anti-bribery, employment, and environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud may occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of suspected and alleged fraud; and
- considering the internal controls in place to mitigate the risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, relevant regulators and the company's legal advisors.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission, or misrepresentation.

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.

Reza Mohidin FCA (Senior Statutory Auditor)
for and on behalf of Bourne & Co.
Statutory Auditors
3 Charnwood Street
Derby
Derbyshire
DE1 2GY

16 June 2023

**Income Statement
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
TURNOVER	3	6,174,205	3,917,885
Cost of sales		<u>3,316,884</u>	<u>2,236,939</u>
GROSS PROFIT		2,857,321	1,680,946
Administrative expenses		<u>1,525,051</u>	<u>1,276,038</u>
		1,332,270	404,908
Other operating income		<u>-</u>	<u>20,733</u>
OPERATING PROFIT	5	1,332,270	425,641
Interest receivable and similar income		<u>166,824</u>	<u>61,953</u>
PROFIT BEFORE TAXATION		1,499,094	487,594
Tax on profit	6	<u>39,036</u>	<u>(314,810)</u>
PROFIT FOR THE FINANCIAL YEAR		<u>1,460,058</u>	<u>802,404</u>

The notes form part of these financial statements

**Other Comprehensive Income
for the Year Ended 31 December 2022**

	Notes	2022 £	2021 £
PROFIT FOR THE YEAR		1,460,058	802,404
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		<u>1,460,058</u>	<u>802,404</u>

Balance Sheet
31 December 2022

	Notes	2022 £	£	2021 £	£
FIXED ASSETS					
Tangible assets	7		4,169,585		4,067,958
CURRENT ASSETS					
Stocks	8	159,142		131,624	
Debtors	9	8,323,075		7,006,134	
Cash in hand		750		750	
		<u>8,482,967</u>		<u>7,138,508</u>	
CREDITORS					
Amounts falling due within one year	10	<u>826,796</u>		<u>946,420</u>	
NET CURRENT ASSETS			<u>7,656,171</u>		<u>6,192,088</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			11,825,756		10,260,046
PROVISIONS FOR LIABILITIES	12		<u>234,492</u>		<u>128,840</u>
NET ASSETS			<u>11,591,264</u>		<u>10,131,206</u>
CAPITAL AND RESERVES					
Called up share capital	13		514,000		514,000
Share premium	14		26,000		26,000
Revaluation reserve	14		1,647,427		1,647,427
Retained earnings	14		<u>9,403,837</u>		<u>7,943,779</u>
SHAREHOLDERS' FUNDS			<u>11,591,264</u>		<u>10,131,206</u>

The financial statements were approved by the director and authorised for issue on 16 June 2023 and were signed by:

P T Brown - Director

**Statement of Changes in Equity
for the Year Ended 31 December 2022**

	Called up share capital £	Retained earnings £	Share premium £	Revaluation reserve £	Total equity £
Balance at 1 January 2021	514,000	7,420,226	26,000	1,368,576	9,328,802
Changes in equity					
Total comprehensive income	-	523,553	-	278,851	802,404
Balance at 31 December 2021	514,000	7,943,779	26,000	1,647,427	10,131,206
Changes in equity					
Total comprehensive income	-	1,460,058	-	-	1,460,058
Balance at 31 December 2022	514,000	9,403,837	26,000	1,647,427	11,591,264

The notes form part of these financial statements

**Notes to the Financial Statements
for the Year Ended 31 December 2022**

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 as modified by the revaluation of certain assets.

Aalberts Surface Technologies Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Aalberts Surface Technologies Limited is consolidated in the financial statements of its ultimate parent company, Aalberts N.V., which may be obtained at www.aalberts.com. Exemptions have been taken in these separate financial statements in respect of the cashflow statement.

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, the directors are required to make judgements, estimates and assumptions regarding the carrying amounts of the company's assets and liabilities. These are based on historical experience and other factors that are considered relevant. They are reviewed on a regular basis and changes recognised in the period in which the estimate is revised. Actual results may differ from these estimates.

The following are the critical accounting judgements and key sources of estimation uncertainty:

Tangible fixed assets are depreciated over their useful economic lives taking into account their residual values where appropriate. The useful lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing the asset lives, factors such as technical innovation, product life cycles and maintainable programmes are taken into account. Residual values consider such things as future market condition, the remaining life of the asset and projected disposal values.

The value of stock is assessed for impairment. In assessing stock value, factors such as slow movement and obsolescence are taken into account.

Turnover

Turnover represents net invoiced sale of goods and services excluding value added tax and is recognised at the fair value of the consideration received for sale of goods and services to external customers in the ordinary course of business. Turnover is recognised when the goods have been delivered to the customer's place of business. The fair value of consideration takes into account returns, discounts and rebates.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Freehold property	- not provided and at varying rates on cost
Fixtures and fittings	- at varying rates on cost

Stocks

Stocks and work in progress are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Cost is calculated using the first-in, first-out method and includes all purchase, transport, and handling costs in bringing stocks to their present location and condition.

**Notes to the Financial Statements - continued
for the Year Ended 31 December 2022**

2. ACCOUNTING POLICIES - continued

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.

Financial assets and liabilities

Short term debtors are measured at transaction price.

Short term creditors are measured at transaction price, less any impairment.

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:

	2022	2021
	£	£
United Kingdom	3,817,387	1,870,885
Europe	1,201,174	1,815,000
Rest of World	1,155,644	232,000
	<u>6,174,205</u>	<u>3,917,885</u>

4. EMPLOYEES AND DIRECTORS

	2022	2021
	£	£
Wages and salaries	1,872,323	1,331,851
Social security costs	176,622	126,867
Other pension costs	161,132	131,006
	<u>2,210,077</u>	<u>1,589,724</u>

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

4. **EMPLOYEES AND DIRECTORS - continued**

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

	2022	2021
Production	49	41
Administration and support	16	17
	<u>65</u>	<u>58</u>

	2022	2021
	£	£
Director's remuneration	130,000	118,300
Director's pension contributions to money purchase schemes	<u>13,115</u>	<u>10,918</u>

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

Money purchase schemes	<u>1</u>	<u>1</u>
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5. **OPERATING PROFIT**

The operating profit is stated after charging:

	2022	2021
	£	£
Hire of plant and machinery	26,198	20,236
Depreciation - owned assets	237,326	207,100
Auditors' remuneration	12,000	-
Foreign exchange differences	<u>6,289</u>	<u>22,521</u>

6. **TAXATION**

Analysis of the tax charge/(credit)

The tax charge/(credit) on the profit for the year was as follows:

	2022	2021
	£	£
Current tax:		
UK corporation tax	(66,616)	92,803
Deferred tax	105,652	(407,613)
Tax on profit	<u>39,036</u>	<u>(314,810)</u>

UK corporation tax has been charged at 19% .

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

6. TAXATION - continued

Reconciliation of total tax charge/(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:

	2022 £	2021 £
Profit before tax	<u>1,499,094</u>	<u>487,594</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2021 - 19%)	284,828	92,643
Effects of:		
Expenses not deductible for tax purposes	16,055	14,784
Adjustments to tax charge in respect of previous periods	(2,781)	(453,159)
Group relief claim	(247,992)	-
Super-deduction claim	(11,074)	-
Changes in tax rate	-	30,922
Total tax charge/(credit)	<u>39,036</u>	<u>(314,810)</u>

7. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
COST OR VALUATION				
At 1 January 2022	2,923,258	2,832,743	-	5,756,001
Additions	-	330,668	8,285	338,953
At 31 December 2022	<u>2,923,258</u>	<u>3,163,411</u>	<u>8,285</u>	<u>6,094,954</u>
DEPRECIATION				
At 1 January 2022	137,240	1,550,803	-	1,688,043
Charge for year	59,373	177,539	414	237,326
At 31 December 2022	<u>196,613</u>	<u>1,728,342</u>	<u>414</u>	<u>1,925,369</u>
NET BOOK VALUE				
At 31 December 2022	<u>2,726,645</u>	<u>1,435,069</u>	<u>7,871</u>	<u>4,169,585</u>
At 31 December 2021	<u>2,786,018</u>	<u>1,281,940</u>	<u>-</u>	<u>4,067,958</u>

Cost or valuation at 31 December 2022 is represented by:

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Totals £
Valuation in 2019	1,505,816	-	-	1,505,816
Cost	<u>1,417,442</u>	<u>3,163,411</u>	<u>8,285</u>	<u>4,589,138</u>
	<u>2,923,258</u>	<u>3,163,411</u>	<u>8,285</u>	<u>6,094,954</u>

If freehold land and buildings had not been revalued they would have been included at the following historical cost:

	2022 £	2021 £
Cost	<u>1,417,442</u>	<u>1,417,442</u>

Freehold land and buildings were valued on an open market basis on 7 October 2019 by Richard D. Calder BSc. FRICS. RICS.

Notes to the Financial Statements - continued
for the Year Ended 31 December 2022

8. **STOCKS**

	2022	2021
	£	£
Raw materials	112,689	131,624
Work-in-progress	46,453	-
	<u>159,142</u>	<u>131,624</u>

9. **DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade debtors	834,568	572,894
Amounts owed by group undertakings	7,293,236	6,259,303
Other debtors	-	70,643
Tax	165,128	36,233
VAT	-	38,572
Prepayments and accrued income	30,143	28,489
	<u>8,323,075</u>	<u>7,006,134</u>

10. **CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2022	2021
	£	£
Trade creditors	448,919	646,720
Social security and other taxes	38,711	32,565
VAT	49,206	-
Other creditors	14,294	11,924
Accruals and deferred income	275,666	255,211
	<u>826,796</u>	<u>946,420</u>

11. **LEASING AGREEMENTS**

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

	2022	2021
	£	£
Within one year	26,558	30,499
Between one and five years	19,364	28,585
	<u>45,922</u>	<u>59,084</u>

12. **PROVISIONS FOR LIABILITIES**

	2022	2021
	£	£
Deferred tax	<u>234,492</u>	<u>128,840</u>

	Deferred tax
	£
Balance at 1 January 2022	128,840
Provided during year	4,521
Charge to Income Statement during year	101,131
Balance at 31 December 2022	<u>234,492</u>

13. **CALLED UP SHARE CAPITAL**

Allotted, issued and fully paid:			2022	2021
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 2022**

14. RESERVES

	Retained earnings £	Share premium £	Revaluation reserve £	Totals £
At 1 January 2022	7,943,779	26,000	1,647,427	9,617,206
Profit for the year	1,460,058			1,460,058
At 31 December 2022	<u>9,403,837</u>	<u>26,000</u>	<u>1,647,427</u>	<u>11,077,264</u>

15. ULTIMATE PARENT COMPANY

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.

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.

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