

**BEAGLE TECHNOLOGY GROUP LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 30 APRIL 2019**

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**BEAGLE TECHNOLOGY GROUP LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	R Robinson J K Taylor M D Walton M A Welden
<b>Registered number</b>	00968265
<b>Registered office</b>	Stony Lane Christchurch Dorset BH23 1EX
<b>Independent auditors</b>	Simmons Gainsford LLP Chartered Accountants & Statutory Auditors 7-10 Chandos Street London W1G 9DQ

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**BEAGLE TECHNOLOGY GROUP LIMITED**

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STRATEGIC REPORT  
FOR THE YEAR ENDED 30 APRIL 2019

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**Introduction**

The directors present their strategic report for the year ended 30 April 2019.

**Principal activity**

The principal activity of the company during the year was the manufacturing of aerospace metallic and composite assemblies and components. In the year under review, the company was acquired by Beagle Group Limited a new company formed by existing management and Breal Capital (Beagle) Limited. New ownership has enabled additional working capital investment to support continued growth of the business and capital expenditure.

**Business review**

Sales in the year were £4.7m, pro rata an uplift of 7% on previous period sales of £5.5m. The company has seen growth in its core market attracting new customers in the year both in the UK and overseas.

The company has been well placed to pick up additional work with new customers which have enabled growth whilst not creating an over reliance on any one customer. The company continues to increase the level of run and repeat work across the aerospace sector along with continued growth in its manufacture of components for its traditional legacy activity. Further investment in state-of-the-art machining facilities places the company in a unique position in the processes offered to customers with sheet metal details, machined components, stretched forming, chemical milling, assemblies and a full of range of treatments in one facility. The Impact of the investments made has had a positive impact on the results for the year. The Board look forward to seeing the full year benefits of this investment in 2019/20.

The company's commitment to research and development ("R&D") has all been accounted for in the profit and loss account, the R&D activity in the year focused on the company's core capabilities.

As part of the acquisition there was also a share reconstruction which, along with a revaluation of plant and machinery during the year, has resulted in a much improved overall net asset value compared to 2018.

STRATEGIC REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2019

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**Principal risks and uncertainties**

The risks to which the company is exposed are identified and reviewed by the Board of Directors on a monthly basis. The previously identified risk of over-exposure to any significant customers has continued to be managed by adding several new customers across a range of platforms and type of work. The company's shareholder loans, and financing facilities are regularly reviewed. While uncertainty remains around Brexit, the company considers itself to have done the relevant planning to ensure it is best placed should an eventual decision be finalised.

The company's financial instruments principally comprise of cash at bank, asset based financing and shareholder loans. In addition, the company has various other financial assets and liabilities such as trade debtors and trade creditors arising directly from operations. It is, and has been throughout the year under review, the company's policy that no trading in financial instruments shall be undertaken.

The main risk arising from the company's financial instruments is liquidity, interest and credit risk. The Board reviews and agrees policies for managing each of these risks and they are summarised below. These policies have remained unchanged throughout the period.

**Liquidity risk**

The company actively manages its working capital requirement to ensure it has sufficient liquid resources to meet the operating needs of the business.

**Interest risk**

The company's interest rate exposure arises mainly from its interest-bearing borrowings. Fixed rate borrowings expose the entity to fair value risk. The company regularly reviews its funding arrangements to ensure they are competitive in the market place.

**Credit risk**

The recipients of all loans are subject to credit verification procedures by the Board. Debtors are reviewed on a regular basis and a provision is made for doubtful debts when necessary.

This report was approved by the board on 5 August 2019 and signed on its behalf.

**M A Welden**  
Director

**DIRECTORS' REPORT  
FOR THE YEAR ENDED 30 APRIL 2019**

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The directors present their report and the financial statements for the year ended 30 April 2019.

**Directors**

The directors who served during the year were:

J K Taylor  
M D Walton (appointed 13 December 2018)  
M A Welden (appointed 13 December 2018)  
J J C Lovell (resigned 13 December 2018)  
J A Sturman (resigned 13 December 2018)  
N R Theakston (resigned 13 December 2018)  
Mr R Robinson (appointed 21 March 2019)

**Results and dividends**

The profit for the year, after taxation, amounted to £574 thousand (2018 - loss £3,355 thousand).

**Matters covered in the strategic report**

The directors have chosen to disclose information on the following, required by the Companies Act to be included in the Directors' Report, within the Strategic Report, found on pages 1 and 2:

- information on financial instruments, financial risk management and policies; and
- information regarding future developments of the business.

**Directors' responsibilities statement**

The directors are responsible for preparing the Strategic report, the Directors' 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. 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 for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

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**BEAGLE TECHNOLOGY GROUP LIMITED**

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**DIRECTORS' REPORT (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2019**

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**Disclosure of information to auditors**

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that:

- so far as the director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

**Post balance sheet events**

There have been no significant events affecting the Company since the year end.

**Auditors**

During the year BDO LLP resigned and Simmons Gainsford LLP were proposed for appointment as auditors in accordance with the Companies Act 2006.

This report was approved by the board on 5 August 2019 and signed on its behalf.

**M A Welden**  
Director

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BEAGLE TECHNOLOGY GROUP LIMITED

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**Opinion**

We have audited the financial statements of Beagle Technology Group Limited (the 'Company') for the year ended 30 April 2019, which comprise the Statement of comprehensive income, the Balance sheet, the Statement of cash flows, the Statement of changes in equity and the related notes, 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 30 April 2019 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 United Kingdom, including the Financial Reporting Council'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**

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.



**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BEAGLE TECHNOLOGY GROUP LIMITED (CONTINUED)**

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**Other information**

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditors' report 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

**Opinion 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 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.

**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.

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF BEAGLE TECHNOLOGY GROUP LIMITED (CONTINUED)

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**Responsibilities of directors**

As explained more fully in the Directors' responsibilities statement on page 3, 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.

**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 an Auditors' 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.

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

**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 an Auditors' 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.

Daryush Farshchi-Heidari FCA (Senior statutory auditor)  
for and on behalf of

**Simmons Gainsford LLP**

Chartered Accountants

Statutory Auditors

7-10 Chandos Street

London

W1G 9DQ

5 August 2019

BEAGLE TECHNOLOGY GROUP LIMITED

STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 APRIL 2019

	Note	2019 £000	2018 £000
Turnover	4	4,678	5,599
Cost of sales		(3,200)	(6,230)
<b>Gross profit/(loss)</b>		1,478	(631)
Administrative expenses		(773)	(2,743)
<b>Operating profit/(loss)</b>	5	705	(3,374)
Interest payable and expenses		(311)	(586)
<b>Profit/(loss) before tax</b>		394	(3,960)
Tax on profit/(loss)	10	180	605
<b>Profit/(loss) for the financial year</b>		574	(3,355)
<b>Other comprehensive income for the year</b>			
Unrealised surplus on revaluation of tangible fixed assets		286	-
<b>Total comprehensive income for the year</b>		860	(3,355)

The notes on pages 14 to 29 form part of these financial statements.

**BEAGLE TECHNOLOGY GROUP LIMITED**  
**REGISTERED NUMBER: 00968265**

**BALANCE SHEET**  
**AS AT 30 APRIL 2019**

		2019 £000	As restated 2018 £000
	Note		
<b>Fixed assets</b>			
Tangible assets	11	1,463	1,376
		<u>1,463</u>	<u>1,376</u>
<b>Current assets</b>			
Stocks	13	2,065	2,227
Debtors: amounts falling due within one year	14	2,196	1,755
Cash at bank and in hand	15	17	29
		<u>4,278</u>	<u>4,011</u>
Creditors: amounts falling due within one year	16	(3,366)	(3,695)
<b>Net current assets</b>		<u>912</u>	<u>316</u>
<b>Total assets less current liabilities</b>		<u>2,375</u>	<u>1,692</u>
Creditors: amounts falling due after more than one year	17	(871)	(1,048)
<b>Net assets</b>		<u><u>1,504</u></u>	<u><u>644</u></u>
<b>Capital and reserves</b>			
Called up share capital	20	100	3,046
Share premium account		-	5,045
Revaluation reserve	21	286	343
Capital redemption reserve	21	61	61
Profit and loss account	21	1,057	(7,851)
<b>Shareholders' funds</b>		<u><u>1,504</u></u>	<u><u>644</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 5 August 2019.

**M A Welden**  
Director

The notes on pages 14 to 29 form part of these financial statements.

BEAGLE TECHNOLOGY GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2019

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	evaluation reserve £000	Profit and loss account £000	Total equity £000
At 1 May 2018	3,046	5,045	61	343	(7,851)	644
<b>Comprehensive income for the year</b>						
Profit for the year	-	-	-	-	574	574
Surplus on revaluation of fixed assets	-	-	-	286	-	286
Reduction in share capital	(2,946)	(5,045)	-	-	7,991	-
<b>Total comprehensive income for the year</b>	(2,946)	(5,045)	-	286	8,565	860
Transfer to/from profit and loss account	-	-	-	(343)	343	-
<b>Total transactions with owners</b>	-	-	-	(343)	343	-
<b>At 30 April 2019</b>	<u>100</u>	<u>-</u>	<u>61</u>	<u>286</u>	<u>1,057</u>	<u>1,504</u>

The notes on pages 14 to 29 form part of these financial statements.

BEAGLE TECHNOLOGY GROUP LIMITED

STATEMENT OF CHANGES IN EQUITY  
FOR THE YEAR ENDED 30 APRIL 2018

	Called up share capital £000	Share premium account £000	Capital redemption reserve £000	valuation reserve £000	Profit and loss account £000	Total equity £000
At 1 February 2017	2,553	3,880	61	2,269	(8,337)	426
<b>Comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(3,355)	(3,355)
<b>Total comprehensive income for the period</b>	-	-	-	-	(3,355)	(3,355)
Shares issued during the period	493	1,165	-	-	-	1,658
Transfer of revaluation reserve on property disposal	-	-	-	(1,926)	1,926	-
Capital contribution on the waiver of intercompany debt	-	-	-	-	1,915	1,915
<b>Total transactions with owners</b>	493	1,165	-	(1,926)	3,841	3,573
<b>At 30 April 2018</b>	<u>3,046</u>	<u>5,045</u>	<u>61</u>	<u>343</u>	<u>(7,851)</u>	<u>644</u>

The notes on pages 14 to 29 form part of these financial statements.

BEAGLE TECHNOLOGY GROUP LIMITED

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 30 APRIL 2019

	2019 £000	2018 £000
<b>Cash flows from operating activities</b>		
Profit/(loss) for the financial year	573	(3,355)
<b>Adjustments for:</b>		
Depreciation of tangible assets	263	250
Loss on disposal of tangible assets	-	(33)
Interest paid	311	586
Taxation charge	(180)	(605)
Decrease in stocks	162	724
(Increase)/decrease in debtors	(474)	692
(Decrease)/increase in creditors	(462)	138
Corporation tax received	605	232
Intercompany loan waiver	(836)	-
<b>Net cash generated from operating activities</b>	<b>(38)</b>	<b>(1,371)</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(26)	(120)
HP interest paid	(37)	(24)
Disposal of property	-	3,300
<b>Net cash (used in)/from investing activities</b>	<b>(63)</b>	<b>3,156</b>
<b>Cash flows from financing activities</b>		
New secured loans	-	290
Repayment of loans	-	(264)
Other new loans	-	780
Repayment of other loans	-	(2,739)
Repayment of/new finance leases	(105)	(31)
Interest paid	(217)	(196)
Movements on invoice discounting facility	411	221
<b>Net cash generated from/(used in) financing activities</b>	<b>89</b>	<b>(1,939)</b>

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BEAGLE TECHNOLOGY GROUP LIMITED

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STATEMENT OF CASH FLOWS (CONTINUED)  
FOR THE YEAR ENDED 30 APRIL 2019

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	2019 £000	2018 £000
	<hr/>	<hr/>
<b>Net (decrease) in cash and cash equivalents</b>	(12)	(154)
Cash and cash equivalents at beginning of year	29	183
	<hr/>	<hr/>
<b>Cash and cash equivalents at the end of year</b>	17	29
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<u>17</u>	<u>29</u>

The notes on pages 14 to 29 form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019

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**1. General information**

The company is a private limited company by shares, and is incorporated in England and Wales. The address of its registered office is Stony Lane, Christchurch, Dorset, BH23 1EX.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

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

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

**2.2 Going concern**

After reviewing the Company's forecast and projections and based on the continued support of the company's principal lenders, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. The Company therefore continues to adopt the going concern basis in preparing the financial statements.

**2.3 Foreign currency translation**

**Functional and presentation currency**

The Company's functional and presentational currency is GBP.

**Transactions and balances**

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019

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**2. Accounting policies (continued)**

**2.4 Revenue**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

**Sale of goods**

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

**2.5 Operating leases: the Company as lessee**

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

The Company has taken advantage of the optional exemption available on transition to FRS 102 which allows lease incentives on leases entered into before the date of transition to the standard 01 February 2017 to continue to be charged over the period to the first market rent review rather than the term of the lease.

**2.6 Leased assets: the Company as lessee**

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of comprehensive income so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

**2.7 Borrowing costs**

All borrowing costs are recognised in the Statement of comprehensive income in the year in which they are incurred.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019

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**2. Accounting policies (continued)**

**2.8 Pensions**

**Defined contribution pension plan**

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

**2.9 Taxation**

Tax is recognised in the Statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

**2.10 Tangible fixed assets**

Tangible fixed assets, other than plant and machinery, under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	-	3% straightline
Plant and machinery	-	10% to 25% straight line
Fixtures and fittings	-	10% straight line
Other fixed assets	-	20% to 100% straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019

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**2. Accounting policies (continued)**

**2.11 Revaluation of tangible fixed assets**

Plant and machinery are carried on the balance sheet on the basis of existing use value less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are undertaken with sufficient regularity to ensure the carrying amount does not differ materially from that which would be determined using fair value at the Balance sheet date.

Existing use values are determined from market based evidence normally undertaken by professionally qualified valuers.

Revaluation gains and losses are recognised in the Statement of comprehensive income unless losses exceed the previously recognised gains or reflect a clear consumption of economic benefits, in which case the excess losses are recognised in profit or loss.

**2.12 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.

**2.13 Stocks**

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a standard costing basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

**2.14 Debtors**

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

**2.15 Cash and cash equivalents**

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours.

**2.16 Creditors**

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019

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**2. Accounting policies (continued)**

**2.17 Financial instruments**

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

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

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when there is an 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.

**2.18 Restatement of comparatives**

During the year the directors adopted a policy of recording work in progress within stock rather than including in amounts recoverable under long term contracts. This change in policy resulted in a restatement of the comparative information as detailed in note 22.

**3. Judgments in applying accounting policies and key sources of estimation uncertainty**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. Actual results may differ from these estimates. 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.

**Stock provision**

Management has implemented specific provisions against slow-moving inventories based on their experience of the company's stock holding and the period of time that an inventory line has not moved. The provision is offset against the stock balance.

**Tangible fixed assets**

Tangible fixed assets, other than plant and machinery, are depreciated over their useful lives taking into account residual values, where appropriate. The actual lives of the assets and residual values are assessed annually and may vary depending on a number of factors. In re-assessing asset lives, factors such as technological innovation, product life cycles and maintenance programmes are taken into account. Residual value assessments consider issues such as future market conditions, the remaining life of the asset and projected disposal values.

Plant and machinery are held on a depreciated valuation basis, which is assessed by management at each balance sheet date with reference to recent professional valuations.

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**BEAGLE TECHNOLOGY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019**

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**4. Turnover**

An analysis of turnover by class of business is as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Metallics	3,612	3,530
Composites	1,015	1,984
Other	50	85
	<u>4,677</u>	<u>5,599</u>

Analysis of turnover by country of destination:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
United Kingdom	3,983	5,555
Rest of Europe	223	6
Rest of the world	472	38
	<u>4,678</u>	<u>5,599</u>

**5. Operating profit/(loss)**

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

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Research & development charged as an expense	1,117	1,818
Exchange differences	1	1
Operating lease rentals	16	167
Depreciation	238	250
Intercompany loan waiver	(836)	-
Defined contribution pension cost	<u>52</u>	<u>96</u>

**BEAGLE TECHNOLOGY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019**

**6. Auditors' remuneration**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Fees payable to the Company's auditor for the audit of the Company's annual financial statements	<u>20</u>	<u>22</u>
<b>Fees payable to the Company's auditor and its associates in respect of:</b>		
Other services relating to taxation	<u>3</u>	<u>13</u>

**7. Employees**

Staff costs, including directors' remuneration, were as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Wages and salaries	2,282	3,617
Social security costs	228	326
Cost of defined contribution scheme	54	110
	<u>2,564</u>	<u>4,053</u>

The average monthly number of employees, including the directors, during the year was as follows:

	<b>2019</b>	<b>2018</b>
	<b>No.</b>	<b>No.</b>
Sales, administration and distribution	13	14
Manufacturing	53	69
	<u>66</u>	<u>83</u>

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019

8. Directors' remuneration

	2019 £000	2018 £000
Directors' emoluments	276	411
Company contributions to defined contribution pension schemes	2	15
	<u>278</u>	<u>426</u>

During the year retirement benefits were accruing to 1 director (2018 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £217 thousand (2018 - £311 thousand).

The value of the company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £2 thousand (2018 - £7 thousand).

Directors' remuneration equates to Key Management Personnel compensation.

9. Interest payable and similar expenses

	2019 £000	2018 £000
Other loan interest payable	58	366
Finance leases and hire purchase contracts	36	24
Other interest payable	217	196
	<u>311</u>	<u>586</u>

10. Taxation

	2019 £000	2018 £000
<b>Corporation tax</b>		
Current tax on profits for the year	<u>(180)</u>	<u>(605)</u>



**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019**

**10. Taxation (continued)****Factors affecting tax charge for the year/period**

The tax assessed for the year/period is higher than (2018 - higher than) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Profit/(loss) on ordinary activities before tax	<u>394</u>	<u>(3,960)</u>
Profit/(loss) on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	75	(758)
<b>Effects of:</b>		
Expenses not deductible for tax purposes	(137)	87
Depreciation in excess of capital allowances	32	29
Additional deduction from R&D expenditure	(242)	(449)
Losses carried forward	26	274
Chargeable gain	-	18
Surrender of tax losses for R&D tax credit refund	66	194
<b>Total tax charge for the year/period</b>	<u><u>(180)</u></u>	<u><u>(605)</u></u>

**Factors that may affect future tax charges**

The Finance Act 2016 announced that the proposed reduction in the main corporation tax rate from 2020 would be 17%.

The company has estimated losses of £4.0m (2018: £3.8m) to carry forward against future profits. No deferred tax asset has been recognised in respect of the losses arising due to the uncertainty as to when the asset will be recovered.

BEAGLE TECHNOLOGY GROUP LIMITED

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019

11. Tangible fixed assets

	Plant and machinery £000	Fixtures and fittings £000	Computer equipment £000	Other fixed assets £000	Total £000
<b>Cost or valuation</b>					
At 1 May 2018	1,831	234	233	92	2,390
Additions	20	-	43	-	63
Revaluations	(270)	-	-	-	(270)
At 30 April 2019	1,581	234	276	92	2,183
<b>Depreciation</b>					
At 1 May 2018	564	215	171	64	1,014
Charge for the year on owned assets	217	4	32	10	263
On revalued assets	(557)	-	-	-	(557)
At 30 April 2019	224	219	203	74	720
<b>Net book value</b>					
At 30 April 2019	1,357	15	73	18	1,463
<b>At 30 April 2018</b>	1,267	19	62	28	1,376

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2019 £000	2018 £000
Plant and machinery	462	519
Other fixed assets	36	-
	498	519

The company's plant and machinery was subject to a full revaluation on 9 March 2015 by Hilco Appraisal Limited, professional valuation specialists, which was updated in the current year to a valuation of £1,386,085. The directors consider this valuation to be appropriate, at the balance sheet date. The historical cost of the plant and machinery is £1,272,050.

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**BEAGLE TECHNOLOGY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019**

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**12. Fixed asset investments****Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Principal activity</b>	<b>Class of shares</b>	<b>Holding</b>
Beagle Aerospace Limited	Dormant		100
		Ordinary	%
Beagle Composites Limited	Dormant		100
		Ordinary	%
Beagle Defence Limited	Dormant		100
		Ordinary	%
Beagle MRO Limited	Dormant		100
		Ordinary	%
Beagle Precision Limited	Dormant		100
		Ordinary	%
Beagle Treatments Limited	Dormant		100
		Ordinary	%
BTG Design Services Limited	Dormant		100
		Ordinary	%

All of the above companies are registered in England and Wales, and have the same registered office address as Beagle Technology Group Limited, as stated on the contents page.

All of the above investments have been held since the previous balance sheet date and throughout the period.

On the basis that the above subsidiary companies are all dormant and therefore have nil profit or loss, no consolidated accounts have been prepared.

**13. Stocks**

	<b>2019</b>	<b>As restated</b>
	<b>£000</b>	<b>2018</b>
		<b>£000</b>
Raw materials and consumables	1,573	1,107
Work in progress	244	396
Finished goods and goods for resale	248	724
	<u>2,065</u>	<u>2,227</u>

**BEAGLE TECHNOLOGY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019**

**14. Debtors**

	<b>2019</b>	<b>As restated</b>
	<b>£000</b>	<b>2018</b>
		<b>£000</b>
Trade debtors	1,719	989
Amounts owed by group undertakings	92	-
Prepayments and accrued income	205	161
Tax recoverable	180	605
	<u>2,196</u>	<u>1,755</u>

**15. Cash and cash equivalents**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Cash at bank and in hand	<u>17</u>	<u>29</u>

**16. Creditors: Amounts falling due within one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Bank loans	267	290
Trade creditors	509	665
Amounts owed to group undertakings	-	90
Other taxation and social security	372	578
Obligations under finance lease and hire purchase contracts	121	121
Credit facilities	1,700	1,482
Other creditors	151	129
Accruals and deferred income	246	340
	<u>3,366</u>	<u>3,695</u>

Bank loans, credit facilities and loans included within other creditors are secured by way of fixed and floating charges over the assets of the company.

Finance lease and hire purchase creditors are secured against the assets to which they relate.

**BEAGLE TECHNOLOGY GROUP LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019**

**17. Creditors: Amounts falling due after more than one year**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Net obligations under finance leases and hire purchase contracts	300	338
Amounts owed to group undertakings	-	710
Other creditors	571	-
	<u>871</u>	<u>1,048</u>

Finance lease and hire purchase creditors are secured against the assets to which they relate.

**18. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
Within one year	194	26
Between 1-5 years	272	19
	<u>466</u>	<u>45</u>

**19. Financial instruments**

	<b>2019</b>	<b>2018</b>
	<b>£000</b>	<b>£000</b>
<b>Financial assets</b>		
Financial assets that are debt instruments measured at amortised cost	<u>2,017</u>	<u>1,839</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>3,896</u>	<u>4,120</u>

Financial assets measured at amortised cost comprise trade debtors and other debtors.

Financial liabilities measured at amortised cost comprise trade creditors, other creditors, intercompany loans, finance leases, bank loans and other short term creditors.

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**BEAGLE TECHNOLOGY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019**

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**20. Share capital**

	<b>2019 £000</b>	<b>2018 £000</b>
<b>Allotted, called up and fully paid</b>		
100,000 (2018 - 2,000,101) Ordinary shares of £1.00 each	100	2,000
Nil (2018 - 10,458,990) Ordinary A shares of £0.10 each	-	1,046
	<hr/>	<hr/>
	<b>100</b>	<b>3,046</b>

During the year the company reduced its share capital in accordance with The Companies (Reduction of Share Capital) Order 2008 SI 2008/1915 the reserve arising is treated as a realised profit and is available for distribution.

**21. Reserves****Share premium account**

Being the cumulative premium of the issue price of share capital above its nominal value.

**Revaluation reserve**

Being cumulative gains on tangible fixed assets held at valuation.

**Capital redemption reserve**

Being a reserve formed for the protection of distributable reserves after a reduction in capital.

**Profit and loss account**

Being cumulative profits and losses from activities, together with any capital contributions.

**22. Comparative figures**

For the prior period to 30 April 2018, amounts recoverable under long term contracts of £396,000 have been restated to stock work in progress from debtors to ensure the comparatives are consistent with current year classifications. This has had no impact on the reserves brought forward.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019

**23. Commitments under operating leases**

At 30 April 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £000	2018 £000
Not later than 1 year	207	207
Later than 1 year and not later than 5 years	241	631
	<u>448</u>	<u>838</u>

**24. Related party transactions**

During the year the company waived amounts owed to Monksmead Partnership LLP (the previous shareholder) amounting to £836,383 (2018: £1,011,368). At the balance sheet date an amount of £nil (2018: £800,000) was due from Monksmead Partnership LLP. The loan balance in the prior year is stated after conversion of debt into equity amounting to £1,658,277.

Interest on the loan was charged at 6% per annum and the charge for the year was £36,383 (2018: £247,954).

During the period, Monksmead Partnership LLP, issued Beagle Technology Group with management charges of £28,000 (2018: £60,000).

During the prior year Mr J Lovell and Mr J Morgan, members of Monksmead Partnership LLP, waived amounts due to them of £904,777 relating to interest on loans repaid in the year. The interest charge for the loans for the period to 30 April 2018, charged at a rate of 10% per annum, was £118,015.

On 25 May 2017, the company completed a sale and leaseback of its freehold land and buildings to a consortium which included a company in which a director of the company, who resigned during the period, had a material interest. Total consideration for the sale was £3,300,000, generating a profit on disposal in comparison to book value of £33,000.

During the year, total lease payments in respect of the land and buildings of £16,000 (2018: £167,000) were charged to the company. During the year rent of £190,000 (2018: £nil) was waived by the landlord.

At the balance sheet date, included in creditors was an amount of £85,000 (2018: £nil) due from entities in which the directors of the company have a material interest. Loans are short term and repayable on demand.

At the balance sheet date, included in creditors due in more than one year was an amount of £570,905 (2018: £nil) due from shareholders of the group and entities in which the directors of the company have a material interest.

Interest on the above loans was charged at 10% per annum and the charge for the year was £20,905 (2018: £nil) and remains unpaid at the balance sheet date.

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**BEAGLE TECHNOLOGY GROUP LIMITED**

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**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 APRIL 2019**

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**25. Controlling party**

Following the sale of the business in December 2018 the company considers Beagle Group Limited to be its immediate parent company and Breal Capital (Beagle) Limited to be its ultimate parent undertaking.

In the prior year and up to date of disposal Monksmead Partnership LLP was considered the ultimate controlling party by virtue of their majority shareholding. There is now no ultimate controlling party.



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