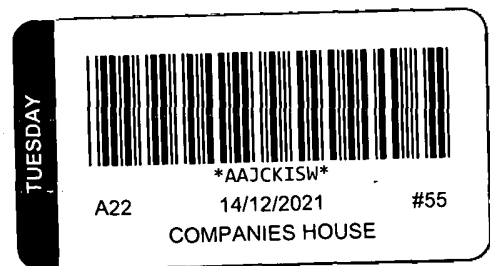


**PRIMAGRAPHS LIMITED**

**Annual Report and Financial Statements  
for the year ended 31 December 2020**

Registered number: 01631263



# **PRIMAGRAPHS LIMITED**

## **Annual report and financial statements for the year ended 31 December 2020**

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# **PRIMAGRAPHICS LIMITED**

## **Annual report and financial statements for the year ended 31 December 2020**

### **Officers and professional advisers**

#### **Directors**

K Barron  
R Parkinson  
M Salmon  
R Shaw  
K Rooney  
C Farkas

#### **Company Secretaries**

Reed Smith Corporate Services Ltd.  
P Ferdenzi  
R Freda  
M O'Casal  
R Shaw

#### **Registered Office**

Cambridge House  
No. 2 Focus Four  
Fourth Avenue  
Letchworth Garden City  
Hertfordshire  
SG6 2TU

#### **Bankers**

HSBC Bank PLC  
2nd Floor HSBC House  
Mitchell Way, Eastleigh  
Southampton, Hampshire SO18 2XU

#### **Auditor**

Deloitte LLP  
Statutory Auditor  
Abbots House,  
Abbey Street,  
Reading,  
RG1 3BD

## **PRIMAGRAPHS LIMITED**

### **Strategic report (continued)**

The Directors present their strategic report and the affairs of the Company for the year ended 31 December 2020. The directors, in preparing this strategic report, have complied with s414C of the Companies Act 2006. The directors also explain how they considered the interests of key stakeholders and the broader matters set out in s172(1)(A) to (F) of the Companies Act 2006 ('s172') when performing their duty to promote the success of the Company.

#### **Principal activity**

Since 2017 the Company is a wholly owned subsidiary of Curtiss-Wright Controls (UK) Limited, a Company registered in England and Wales. The ultimate parent undertaking and controlling party is Curtiss-Wright Corporation, a Company registered in the USA. The Company operates as part of Curtiss-Wright Corporation's Defense Solution division.

The Company's principal activity was the design, development and manufacture/assembly of computerised equipment for handling and displaying graphics and images. Following a group restructuring the trade assets and liabilities of the Company were transferred to Penny and Giles Aerospace Ltd on 31 December 2020. The accounts have, therefore, been prepared on a basis other than that of going concern, and therefore all assets have been shown at realisable value. No adjustments to the accounts arose as a result of preparing the accounts on a basis other than going concern. The directors do not consider the Company will remain as a going concern and therefore intend to liquidate within the year.

#### **Business review**

Turnover in 2020 for Primagraphics Limited was £17.4m, an increase of £1.2m (or 7.66%) from 2019 sales of £16.1m. In 2020 sales in the Aerospace industry were not as affected by the Coronavirus pandemic due to companies placing orders for the whole year in advance. Sales to the UK and Europe were higher than in the previous year; this is offset by sales to the US and the rest of the world being lower. The Company has an operating profit of £1.8m (2019: loss of £0.5m); this increase in profit is partly due to the higher sales and also the restructuring of the Company has resulted in cost savings which accounts for the remainder of the increase. The increase in net current assets was driven by the assets and liabilities transferred to P&G Aerospace Limited which was converted into a loan.

The position of the Company at the year-end is set out in the balance sheet on page 12 and in the related notes on pages 15 – 26.

#### **Key performance indicators**

Curtiss-Wright Corporation manages its operations on a business segment basis of which Primagraphics Limited is part of the Defense segment. For this reason, the Company's directors believe that analysis using key performance indicators for the Company is not necessary or appropriate for an understanding of the development, performance or position of the Company. The performance of various business segments, which includes the Company, are discussed in Curtiss-Wright Corporation Group Annual Report, which does not form part of this report.

#### **Future developments**

The remaining non-trade assets and liabilities will be settled at which point the Company will be liquidated.

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

The intention to liquidate eliminates the principal risks and uncertainties relevant to a trading company.

# **PRIMAGRAPHS LIMITED**

## **Strategic report (continued)**

### **s172 statement**

The s172 statement focuses on matters of strategic importance and the level of information disclosed is consistent with the size, complexity of the business and avoids disclosure of details that could be prejudicial to our interests.

### *General confirmation of directors' duties*

The directors have a clear framework for determining the matters within their remit and for the matters delegated to them. Certain financial and strategic thresholds have been determined to identify matters requiring Group consideration and approval. The Delegation of Authority sets out the delegation and approval process across the broader business.

When making decisions, each Director ensures they act in the way which they consider, in good faith, would most likely promote the Company's success for the benefit of its stakeholders as a whole, and in doing so have regard (among other matters) to:

### *Long term decisions*

The Directors understand the business and the evolving environment in which we operate, including the challenges of navigating through the COVID19 outbreak. The strategy set by the Board is intended to strengthen our position in the marketplace while keeping safety and social responsibility fundamental to our business approach and recognising that the long-term success of our business is dependent on our stakeholders and the external impact of our business activities. Some decisions may not align with all stakeholder interests but the Directors have taken the decisions they believe best support the strategic goals.

### *Employee engagement*

Details of the number of employees and related costs can be found in note 6 to the financial statements.

The directors place strong emphasis on high standards of customer care and service and acknowledge that the commitment of every employee to this business requirement is considered essential. Accordingly the necessity for, and importance of, good relations with all employees has long been recognised and accepted throughout the Company.

The Company participates in the group's policies and practices to keep employees informed on matters relevant to them through regular updates and newsletters. This contact was maintained despite remote working through the use of various technology. Employee representatives are consulted regularly on a wide range of matters affecting their interests. The Curtiss-Wright Employee Share Purchase Plan is open to all employees.

### *Business relationships*

Delivering our strategy requires strong mutually beneficial relationships with suppliers, customers, governments. The Company promotes certain general principles in such relationships alongside the standards described in the Ethics and Code of Conduct, which are reviewed and approved by the Board periodically.

The Board also reviews and approves the approach to suppliers. The business continuously assess the priorities related to customers and those with whom we do business, and the Board engages with the businesses on these topics, for example, within the context of contractual negotiations and investment proposals.

Moreover, the Directors receive information updates on a variety of topics that indicate and inform how these stakeholders have been engaged. These range from cross functional project updates to customer contact reports.

# **PRIMAGRAPHS LIMITED**

## **Strategic report (continued)**

### **s172 statement (continued)**

#### *Community and the environment*

The Company recognises the importance of its environmental responsibilities, and designs and implements policies to reduce any damage that might be caused by the Company's activities. The Company operates in accordance with group policies, and initiatives are designed to minimise the Company's impact of the environment including recycling and reducing energy consumption.

As such, the Board receives information on these topics to both provide relevant information for specific Board decisions (e.g. reducing our carbon footprint) and regular health and safety review meetings from the Environment, Health and Safety Manager.

#### *Business conduct standards*

The Board annually review and conducts training on general business principles, Ethics and Code of Conduct, specific compliance manuals and anti-bribery training ensure that its high standards are maintained both internally and with our external business relationships. This, complemented by the way the Board is informed and monitors compliance with relevant governance standards, help assure its decisions are taken and employees act in ways that promote high standards of business conduct.

#### *Balancing conflicts*

After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act fairly as possible between the Company's internal stakeholders but are not required to balance the Company's interest with those of other stakeholders, and this can sometimes mean that certain stakeholder interests may not be fully aligned.

#### *Culture*

The Board recognises that it has an important role in assessing and monitoring that our desired culture is embedded in the values, attitudes and behaviours we demonstrate, including in our activities and stakeholder relationships. The Board has established leadership, customer focus, innovation, teamwork and trust, winning, integrity and respect for people as its core values. The general business principles, Ethics and Code of Conduct help everyone act in line with these values and comply with relevant laws and regulations. The commitment to health and safety, and employee well-being programme applies across the business and is designed to help protect people and the environment. We relentlessly pursue our safety goal to achieve no harm across all our operations. We also strive to maintain a diverse and inclusive culture.

Employment policies are designed to provide equal opportunities for all existing and prospective employees. In particular, full and fair consideration is given to applications made by disabled persons bearing in mind their respective aptitudes and abilities. Where possible, arrangements are also made for the continuing employment within a safe working environment of employees who have become disabled.

The Board considers employee engagement to deliver staff motivation, affiliation and commitment. It provides insights into employee views and has a consistently high response rate. The Board also utilises this engagement to understand how survey outcomes are being leveraged to strengthen culture and values.

### **Financial risk management objectives and policies**

The Company's activities during 2020 (prior to the change in principal activity on 31 December), exposed it to a number of financial risks including credit risk, foreign exchange risk and liquidity risk.

#### *Cashflow risk*

The Company's revenues are denominated in GBP, Euros and US Dollars. The Company is therefore exposed to the movement in the Euro and the US dollar against GBP, fluctuations in exchange rates will create uncertainties in future cash flows. All risks, including foreign exchange, liquidity, credit, and interest, are managed at the level of the ultimate parent.

# **PRIMAGRAPHS LIMITED**

## **Strategic report (continued)**

### ***Financial risk management objectives and policies (continued)***

#### ***Credit risk***

The Company's principal financial assets are cash, trade and other receivables. The amounts presented in the balance sheet are net of allowances for doubtful receivables. An allowance for impairment is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of cash flows.

#### ***Liquidity risk***

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future developments, the Company has access to intercompany borrowing facilities.

#### **Research and Development**

The Company continues to invest in research and development to maintain our position in the marketplace, spending £0.9m in the period (2019: £1.2m). The Company transferred its intellectual property to Penny & Giles Aerospace Limited as part of the restructuring.

#### **Supplier payment policy**

The Company's policy is to settle terms of payment with suppliers when agreeing the terms of each transaction, ensure that suppliers are made aware of the terms of payment and abide by the terms of payment.

#### **Going concern**

Following a group restructuring, the directors do not consider the Company will remain as a going concern and intend to liquidate the Company. The accounts have, therefore, been prepared on a basis other than that of going concern, and therefore all assets have been shown at realisable value. No adjustments to the accounts arose as a result of preparing the accounts on basis other than going concern.

#### **Future Development**

Following group restructure, the trade and assets were transferred Penny & Giles Aerospace Limited company on 31 December 2020 and subsequently the Directors intend to liquidate the Company.

Approved by the Board and Signed on its behalf by:



R Parkinson  
Director

13 December 2021

## **PRIMAGRAPHS LIMITED**

### **Directors' report**

The directors present their annual report and the audited financial statements for the year ended 31 December 2020. The contents of the section 414 statement are included in the Strategic Report on page 2.

#### **Matters covered in the Strategic Report**

Normally details of future developments, employment of disabled persons, employee engagement, research and development expenditure, going concern and financial risk management would be found in the Strategic Report but are no longer relevant with the intention to liquidate.

#### **Dividends**

The directors did not recommend or pay a dividend in 2020 (2019: £4.5m). There are no post year-end proposed dividends (2019: nil).

#### **Directors**

The directors who held office during the year and subsequently were as follows:

K Evans (Resigned on 31 January 2020)  
P Hart (Appointed on 31 January 2020, resigned 24 June 2020)  
M Liversidge (Resigned 11 June 2021)  
R Parkinson (appointed 11 June 2021)  
M Salmon (appointed 20 January 2021)  
K Barron  
R Shaw  
G Tynan (Resigned on 30 June 2020)  
K Rooney  
C Farkas (Appointed on 30 June 2020)

#### **Directors' indemnities**

The Company has made qualifying third party indemnity provisions for the benefit of its directors which were made during the year and remain in force at the date of this report. This is provided for by the parent.

#### **Provision of information to auditor**

In the case of each of the persons who are directors of the Company at the date when this report is approved:

- so far as each of the directors is aware, there is no relevant audit information (as defined in the Companies Act 2006) of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information (as defined) and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

A resolution to reappoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

#### **Auditor**

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.



# **PRIMAGRAPHS LIMITED**

## **Directors' report**

Approved by the Board and signed on its behalf by:

A handwritten signature in black ink, appearing to be 'R Parkinson', with a stylized flourish extending from the bottom right.

**R Parkinson**  
**Director**

**13 December 2021**

## **PRIMAGRAPHS LIMITED**

### **Directors' responsibilities statement**

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standards 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 and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## **Independent auditor's report to the members of Primagraphics Limited**

### **Report on the audit of the financial statements**

#### **Opinion**

In our opinion the financial statements of Primagraphics Limited (the Company):

- give a true and fair view of the state of the Company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the profit and loss account
- the balance sheet
- the statement of changes in equity; and
- the related notes 1 to 18

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).

#### **Basis for Opinion**

We conducted our audit in accordance with International Standards of Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit on 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 Financial Reporting Council's (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.

#### **Emphasis of matter – Financial statements prepared other than on a going concern basis**

We draw attention to note 1 in the financial statements, which indicates that the financial statements have been prepared on a basis other than that of a going concern. Our opinion is not modified in respect of this matter.

#### **Other information**

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

## **Independent auditor's report to the members of Primagraphics Limited (continued)**

### **Responsibilities of directors (continued)**

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 to have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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 FRC's website at; [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

We considered the nature of the Company's industry and its control environment, and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the Company operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pension legislation and taxation legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These included General Data Protection Regulation (GDPR), anti-bribery and corruption legislation, defence contracting regulation and employment laws.

We discussed among the audit engagement team including relevant internal specialists regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described below:

- Revenue recognition in relation to the Company's milestone contracts are accounted for on a percentage of completion basis and therefore there is judgement involved in estimating the costs to complete and manual journal entries made to record this. We assessed the accuracy of management's estimates of costs to complete against the Company's work plans, inquired with the relevant project managers and performed retrospective reviews of forecasts compared to actuals. We have assessed the design and implementation of the controls around the approval of these manual journal entries.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

## **Independent auditor's report to the members of Primagraphics Limited (continued)**

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management and in-house legal counsel concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance and reviewing internal audit reports.

### **Report on other legal and regulatory requirements**

#### **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 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.

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 any material misstatements in the strategic report or the directors' report.

#### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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 are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

#### **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 auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body for our audit work, for this report, or for the opinions we have formed.



Claire Siviter FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP  
Statutory Auditor  
Reading, United Kingdom  
13 December 2021

## PRIMAGRAPHICS LIMITED

### Profit and loss account For the year ended 31 December 2020

		2020 £'000	2019 £'000
	<b>Notes</b>		
<b>Turnover</b>	<b>3</b>	17,405	16,167
<b>Cost of sales</b>		(8,103)	(7,119)
<b>Gross profit</b>		9,302	9,048
<b>Administration expenses</b>		(3,168)	(3,668)
<b>Other operating expenses</b>		(4,336)	(5,519)
<b>Operating profit/(loss)</b>		1,798	(139)
<b>Finance cost (net)</b>	<b>6</b>	(429)	(400)
<b>Profit/(loss) before taxation</b>	<b>7</b>	1,369	(539)
<b>Tax charge for the year</b>	<b>9</b>	(509)	(159)
<b>Profit/(loss) for the financial year</b>		860	(698)

All results derive from discontinued operations.

The notes on pages 15 to 26 form part of these financial statements.

There are no recognised gains and losses for the current and preceding year other than as shown in the profit and loss account above. Accordingly, no statement of comprehensive income is provided.

# PRIMAGRAPHS LIMITED

## Balance Sheet As at 31 December 2020

	Note	2020 £'000	2019 £'000
<b>Fixed assets</b>			
Goodwill	10	-	12,531
Intangible assets	10	-	86
Tangible assets	11	-	231
		<hr/>	<hr/>
		-	12,848
<b>Current assets</b>			
Stocks	12	-	3,964
Debtors	13	11,390	6,185
Cash at bank and in hand		2,173	3,604
		<hr/>	<hr/>
		13,563	13,753
<b>Creditors: amounts falling due within one year</b>	14	(1,219)	(15,118)
		<hr/>	<hr/>
<b>Net current assets/(liabilities)</b>		12,344	(1,365)
		<hr/>	<hr/>
<b>Total assets less current liabilities</b>		12,344	11,483
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called-up share capital	15	5,503	5,503
Share premium account		30	30
Profit and loss account		6,811	5,950
		<hr/>	<hr/>
<b>Total shareholders funds</b>		12,344	11,483
		<hr/>	<hr/>

The notes on pages 15 to 26 form part of the financial statements.

The financial statements of Primagraphics Limited, registered number 01631263, were approved by the Board of Directors and authorised for issue on 13 December 2021.

Signed on behalf of the Board of Directors



R Parkinson  
Director

# PRIMAGRAPHERICS LIMITED

## Statement of changes in equity Aa at 31 December 2020

	Called-up share capital £'000	Share premium account £'000	Profit and loss account £'000	Total £'000
<b>At 1 January 2019</b>	5,503	30	10,148	15,681
Loss for the financial year 2019	-	-	(698)	(698)
Total Comprehensive income for the year	<u>5,503</u>	<u>30</u>	<u>9,450</u>	<u>14,983</u>
Dividend paid			(3,500)	(3,500)
<b>At 31 December 2019</b>	<b>5,503</b>	<b>30</b>	<b>5,950</b>	<b>11,483</b>
Profit for the financial year 2020	-	-	860	860
Total Comprehensive income for the year	<u>-</u>	<u>-</u>	<u>6,810</u>	<u>12,343</u>
<b>At 31 December 2020</b>	<b><u>5,503</u></b>	<b><u>30</u></b>	<b><u>6,810</u></b>	<b><u>12,343</u></b>



# **PRIMAGRAPHS LIMITED**

## **Notes to the financial statements For the year ended 31 December 2020**

### **1. Significant accounting policies**

The principal accounting policies are summarised below. They have all been applied consistently throughout the year and to the preceding year.

#### **a) General information and basis of accounting**

Primagraphics Limited is a private company limited by shares, incorporated in the United Kingdom under the Companies Act 2006 and is registered in England and Wales. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activities are set out in the strategic report on page 2.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of Primagraphics Limited is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

Primagraphics Limited meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in FRS 102 paragraph 1.12. Primagraphics Limited is consolidated in the financial statements of its parent, Curtiss Wright Corporation, which may be obtained from 130 Harbour Place Drive, Suite 300 Davidson, NC 28036, USA. Exemptions have been taken in these separate company financial statements in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

#### **b) Going concern**

Following a group restructuring, the directors do not consider the Company will remain as a going concern and intend to liquidate the Company. The accounts have, therefore, been prepared on a basis other than that of going concern, and therefore all assets have been shown at realisable value. No adjustments to the accounts arose as a result of preparing the accounts on a basis other than going concern.

#### **c) Turnover**

Turnover is stated net of VAT and trade discounts and is recognised when the significant risks and rewards are considered to have been transferred to the buyer. Turnover from the sale of goods is recognised when the goods are physically delivered to the customer. Turnover from the supply of services represents the value of services provided under contracts to the extent that there is a right to consideration and is recorded at the fair value of the consideration received or receivable. Where a contract has only been partially completed at the balance sheet date turnover represents the fair value of the service provided to date based on the stage of completion of the contract activity at the balance sheet date. Where payments are received from customers in advance of services provided, the amounts are recorded as deferred income and included as part of creditors due within one year.

#### **Interest income**

Interest income accrued on a time basis by reference to the principal outstanding and the effective rate of interest applicable and is recognised when the amount of revenue can be measured reliably.

#### **d) Research and development**

Research and development expenditure is charged to the profit and loss account in the year in which it is incurred.

#### **e) Goodwill**

Goodwill arising on the acquisition of businesses, representing any excess of the consideration given over the fair value of the identifiable assets and liabilities acquired, is capitalised and written off on a straight line basis over its useful economic life, which is 20 years. Provision is made for any impairment.

# PRIMAGRAPHS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2020

### 1. Significant accounting policies (continued)

#### f) Intangible assets

Separately acquired patents and trademarks are included at cost and amortised in equal annual instalments over a period of five years once in operation which is their estimated useful economic life. Provision is made for any impairment.

#### g) Tangible fixed assets

Tangible fixed assets are stated at cost, net of depreciation and any provision for impairment.

Depreciation is calculated so as to write down the cost of tangible fixed assets, less their estimated residual values, on a straight-line basis over the expected useful economic lives of the assets as follows:

Improvements to short term leasehold property	Over the period of the lease
Plant and machinery	Over 3-5 years
Furniture and equipment	Over 5 years

The carrying values of tangible fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

#### h) Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instrument.

##### (i) Financial assets and liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the Balance Sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments that meet the following conditions are subsequently measured at amortised cost using the effective interest method:

- The contractual return to the holder is (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.
- The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.
- The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

## PRIMAGRAPHS LIMITED

### Notes to the financial statements (continued) Year ended 31 December 2020

#### 1. Significant accounting policies (continued)

##### h) Financial instruments (continued)

d. The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

e. There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

f. Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

g. Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that are classified as payable or receivable within one year on initial recognition and which meet the above conditions are measured at the undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

##### (ii) Fair value measurement

The best evidence of fair value is a quoted price for an identical asset in an active market. When quoted prices are unavailable, the price of a recent transaction for an identical asset provides evidence of fair value as long as there has not been a significant change in economic circumstances or a significant lapse of time since the transaction took place. If the market is not active and recent transactions of an identical asset on their own are not a good estimate of fair value, the fair value is estimated by using a valuation technique.

##### i) Stocks

Stocks are stated at the lower of cost and net realisable value. Cost includes all costs incurred in bringing each product to its present location and condition, as follows:

Raw materials, consumables and goods for resale	Purchase cost on a first in, first out basis
Work in progress and finished goods	Cost of direct materials and labour

Net realisable value is based on estimated selling price less any further costs expected to be incurred to completion and disposal.

## **PRIMAGRAPHS LIMITED**

### **Notes to the financial statements (continued)** **Year ended 31 December 2020**

#### **1. Significant accounting policies (continued)**

##### **j) Taxation**

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

When the amount that can be deducted for tax for an asset that is recognised in a business combination is less (more) than the value at which it is recognised, a deferred tax liability (asset) is recognised for the additional tax that will be paid (avoided) in respect of that difference. Similarly, a deferred tax asset (liability) is recognised for the additional tax that will be avoided (paid) because of a difference between the value at which a liability is recognised and the amount that will be assessed for tax.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Company is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

##### **k) Foreign currencies**

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. These translation differences are taken to the profit and loss account.

##### **l) Leases**

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

##### **m) Pension costs**

The Company operates defined contribution pension schemes on behalf of employees. Contributions are charged in the Profit and loss account as they become payable in accordance with the rules of the scheme.

#### **2. Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, which are described in note 1, the directors are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances.

## PRIMAGRAPHS LIMITED

### Notes to the financial statements (continued) Year ended 31 December 2020

#### 2. Critical accounting judgements and key sources of estimation uncertainty (continued)

##### i) Significant judgements in applying the Company's accounting policies

The following are the critical judgements, apart from those involving estimations (which are dealt with separately below), that the directors have made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

##### *Revenue recognition*

In making its judgement, management considered the detailed criteria for the recognition of revenue from the sale of goods set out in FRS 102 Section 23 Revenue and, in particular, whether the Company had transferred to the buyer the significant risks and rewards of ownership of the goods. Following the detailed quantification of the Company's liability in respect of rectification work, and the agreed limitation on the customer's ability to require further work or to require replacement of the goods, the directors are satisfied that the significant risks and rewards have been transferred and that recognition of the revenue in the current year is appropriate, in conjunction with recognition of an appropriate provision for the rectification costs.

##### ii) Key sources of estimation uncertainty

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The directors consider the below items to be those key estimates that have the most significant effect on the amounts recognised in the financial statements.

##### *Impairment of Goodwill*

Determining whether Goodwill is impaired requires an estimation of their value in use to the Company. The value in use calculation requires the entity to estimate the future cash flows expected to arise from the asset and a suitable discount rate in order to calculate present value.

#### 3. Turnover

Turnover is derived from the Company's principal business activity. The directors consider there to be one class of business activity as set out in the directors' report. The geographical analysis of turnover by destination is as below:

	2020 £'000	2019 £'000
United Kingdom	8,828	5,760
North America	6,408	7,614
Rest of Europe	1,117	556
Rest of the World	1,052	2,237
	<u>17,405</u>	<u>16,167</u>

# PRIMAGRAPHS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2020

### 4. Staff numbers and costs.

The average number of employees (including directors) during the year was as follows:

	2020 No	2019 No
Directors	1	1
Sales and administration	5	9
Technical and development	29	21
Production	5	17
	<u>41</u>	<u>48</u>

Their aggregate remuneration comprised:

	2020 £'000	2019 £'000
Wages and salaries	2,711	3,151
Social security costs	307	339
Other pension costs	150	178
	<u>3,168</u>	<u>3,668</u>

There is £288k severance expense for the year ended 31 December 2020 (2019: £31k)

### 5. Director's remuneration and transactions

	2020 £'000	2019 £'000
Emoluments	223	202
Company contributions to money purchase pension schemes	10	10
	<u>233</u>	<u>212</u>

The above amount relates to one director. The other directors are remunerated by other group companies for their services to the group as a whole. It is not practicable to allocate their remuneration between their services as directors of this Company and their services as directors of other group companies.

### 6. Finance costs (net)

	2020 £'000	2019 £'000
Interest expense on loans due to other group undertakings	368	404
Other interest income	(3)	(61)
Bank charges	64	57
	<u>429</u>	<u>400</u>

## PRIMAGRAPHS LIMITED

### Notes to the financial statements (continued) Year ended 31 December 2020

#### 7. Profit before taxation

Profit before taxation is stated after charging:

	2020	2019
	£	£
Depreciation of tangible fixed assets	109	93
Amortisation of goodwill	1,253	1,253
Property lease rentals	185	241
Foreign exchange loss	95	340
Research and development costs	867	1,205

#### 8. Auditor's remuneration

Fees payable to Deloitte LLP and their associates for the audit of the Company's annual financial statements were £109k (2019: £73k).

Fees payable to Deloitte LLP and their associates for non-audit services to the Company are not required to be disclosed because the consolidated financial statements of the parent Company are required to disclose such fees on a consolidated basis.

#### 9. Tax on profit/(loss)

	2020	2019
	£'000	£'000
<b>Current tax</b>		
United Kingdom corporation tax charge for the year	561	159
Adjustment in respect of prior years	(5)	(5)
Total current tax charge	556	154
<b>Deferred tax</b>		
Credit for the year	(33)	2
Adjustment in respect of prior years	(14)	3
Total deferred tax movement	(47)	5
Tax charge	509	159

The standard rate of corporation tax for the period, based on the UK standard rate of corporation tax is 19% (2019: 19%). The actual tax charge for the current year and the previous year differs from the standard rate for the reasons set out in the following reconciliation:

# PRIMAGRAPHS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2020

### 9. Tax on profit/(loss) (continued)

	2020 £'000	2019 £'000
<b>Current tax reconciliation</b>		
Profit before tax	1,369	(539)
Tax charge at standard rate 19% (2018: 19%)	260	(102)
Expenses not deductible for tax purposes	268	263
Origination/reversal of timing differences	33	(2)
Adjustments in respect of prior years	(5)	(5)
Current tax charge for the year	556	154

### Deferred tax reconciliation

Deferred tax assets recognised in the financial statements are as follows:

	2020 £'000	2019 £'000
Depreciation in excess of capital allowance	-	69
Long-term incentive compensation	-	23
Employer Pension Contributions	-	-
	-	92

The movements in deferred tax assets during the years are as follows:

	2020 £'000	2019 £'000
Balance, beginning of the year	92	96
Credit to the profit and loss account	47	(4)
Transfer to Penny and Giles Aerospace Limited	(139)	-
Balance, end of the year	-	92

The Finance bill 2016 enacted provisions to reduce the main rate of UK Corporation tax to 17% from 1 April 2020. However in the March 2020 Budget it was announced that the reduction in the UK rate to 17% will now not occur and the Corporation Tax Rate will be held at 19%. In the March 2021 Budget it was announced that the tax rate will be held at 19% until March 2023.



# PRIMAGRAPHS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2020

### 10. Intangible fixed assets

	Patents and trademarks £'000	Goodwill £'000	Total £'000
<b>Cost</b>			
At 1 January 2020	210	25,063	25,273
Transfer to Penny and Giles Aerospace Limited	(210)	(25,063)	(25,273)
At 31 December 2020	-	-	-
<b>Accumulated amortization</b>			
At 1 January 2020	124	12,532	12,656
Charge for the year	42	1,253	1,295
Transfer to Penny and Giles Aerospace Limited	(166)	(13,785)	(13,951)
At 31 December 2020	-	-	-
<b>Net Book Value</b>			
At 31 December 2020	-	-	-
At 31 December 2019	86	12,531	12,617

# PRIMAGRAPHICS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2020

### 11. Tangible fixed assets

	Improvements to short term leasehold property £'000	Plant and machinery £'000	Furniture and equipment £'000	Total £'000
<b>Cost</b>				
At 1 January 2020	215	1,331	143	1,689
Additions	-	77	-	77
Transfer to Penny and Giles Aerospace Limited	(215)	(1,408)	(143)	(1,766)
At 31 December 2020	-	-	-	-
<b>Accumulated depreciation</b>				
At 1 January 2020	203	1,112	143	1,458
Charge for the year	4	105	-	109
Transfer to Penny and Giles Aerospace Limited	(207)	(1,217)	(143)	(1,567)
At 31 December 2020	-	-	-	-
<b>Net book value</b>				
At 31 December 2020	-	-	-	-
At 31 December 2019	12	219	-	231

### 12. Stocks

	2020 £'000	2019 £'000
Raw materials	-	1,879
Work in progress	-	1,119
Finished goods	-	966
	-	3,964

There is no material difference between the balance sheet value of stocks and their replacement cost. Inventory was transferred Penny and Giles Aerospace Limited as part of the asset transfer on 31 December 2020.

# PRIMAGRAPHS LIMITED

## Notes to the financial statements (continued) Year ended 31 December 2020

### 13. Debtors

	2020 £'000	2019 £'000
Trade debtors	-	1,348
Amounts owed by group undertakings	10,549	4,055
Prepayments	-	46
VAT recoverable	725	450
Income tax receivable	116	194
Deferred tax asset (note 9)	-	92
	<u>11,390</u>	<u>6,185</u>

Amounts owed by group undertakings are collectable on demand and interest free. All other debtors have been transferred to Penny and Giles Aerospace Limited on 31 December 2020 as part of the transfer of assets.

### 14. Creditors: Amounts falling due within one year

	2020 £'000	2019 £'000
Trade creditors	-	1,131
Amounts owed to group undertakings	577	2,916
Loan notes payable to group undertakings	-	10,097
Accruals and deferred income	289	835
VAT payable	353	139
	<u>1,219</u>	<u>15,118</u>

Amounts owed to group undertakings are payable on demand and interest free. All other creditors have been transferred to Penny and Giles Aerospace Limited on 31 December 2020 as part of the transfer of assets and liabilities.

### 15. Called-up share capital

	2020 £'000	2019 £'000
<b>Called-up, allotted and fully-paid</b>		
5,502,727 'A' ordinary shares of £1 each	5,503	5,503
125 'B' ordinary shares of £1 each	-	-
16 'C' ordinary shares of £1 each	-	-
341 'D' ordinary shares of £1 each	-	-
	<u>5,503</u>	<u>5,503</u>

The 'A', 'B', 'C' and 'D' shares rank pari passu in all respects.

## PRIMAGRAPHS LIMITED

### Notes to the financial statements (continued) Year ended 31 December 2020

#### 16. Operating lease commitments

Total future minimum lease payments under non-cancellable operating leases for land and buildings are as follows:

	2020 £'000	2019 £'000
Within one year	74	180
Between one and five years	326	720
After five years	-	300
	<u>400</u>	<u>1,200</u>

#### 17. Defined contribution schemes

The Company operates defined contribution pension schemes for the benefit of the employees and directors. The assets of the schemes are administered by trustees in funds independent from those of the Company.

The total expense charged to the profit and loss account in the year ended 31 December 2020 was £150k (2019: £178k). There was an amount of £nil outstanding as at 31 December 2020 (2019: £nil).

#### 18. Ultimate parent company

The Company's immediate parent undertaking is Curtiss-Wright Controls (UK) Limited, a Company registered in United Kingdom.

The ultimate parent undertaking and controlling party is Curtiss-Wright Corporation, a Company registered in the United States of America and with shares listed on the New York Stock Exchange. The consolidated financial statements of this Company are available to the public and copies of which may be obtained from the ultimate parent's registered office at 13925 Ballantyne Corporate Place, Suite 400, Charlotte, NC 28277, USA. Curtiss-Wright Corporation is the largest and smallest group for which consolidated accounts are prepared that include the results of the Company.