

ADANAC VALVE SPECIALITIES LIMITED

**FILLETED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

ADANAC VALVE SPECIALITIES LIMITED
REGISTERED NUMBER: 02026171

BALANCE SHEET
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	3	437,281	463,730
		<u>437,281</u>	<u>463,730</u>
Current assets			
Stocks	4	255,349	248,024
Debtors: amounts falling due within one year	5	281,515	307,813
Cash at bank and in hand	6	1,431,716	1,049,098
		<u>1,968,580</u>	<u>1,604,935</u>
Creditors: amounts falling due within one year	7	(278,309)	(288,492)
Net current assets		<u>1,690,271</u>	<u>1,316,443</u>
Total assets less current liabilities		<u>2,127,552</u>	<u>1,780,173</u>
Provisions for liabilities			
Deferred tax	8	(94,177)	(77,383)
		<u>(94,177)</u>	<u>(77,383)</u>
Net assets		<u><u>2,033,375</u></u>	<u><u>1,702,790</u></u>

ADANAC VALVE SPECIALITIES LIMITED
REGISTERED NUMBER: 02026171

BALANCE SHEET (CONTINUED)
AS AT 31 DECEMBER 2021

	Note	2021 £	2020 £
Capital and reserves			
Called up share capital	9	18,400	18,400
Capital redemption reserve		3,200	3,200
Profit and loss account		2,011,775	1,681,190
		<u>2,033,375</u>	<u>1,702,790</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

The financial statements have been delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The Company has opted not to file the statement of income and retained earnings in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 7 April 2022.

R G Cook II

Director

The notes on pages 3 to 11 form part of these financial statements.

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

1. General information

Adanac Valve Specialities Limited is a private company limited by shares and is incorporated in England and Wales, registered number 07304447. The address of its registered office is 5 New Street Square, London, EC4A 3TW and operates from premises in Woolpit, Bury St Edmunds, Suffolk. The company performs valve engineering and modification.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 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.

Foreign exchange gains and losses resulting from the settlement of transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss except when deferred in other comprehensive income as qualifying cash flow hedges.

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

2. Accounting policies (continued)

2.3 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.

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

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

2.5 Government grants

Grants are accounted under the accruals model as permitted by FRS 102. Grants relating to expenditure on tangible fixed assets are credited to profit or loss at the same rate as the depreciation on the assets to which the grant relates. The deferred element of grants is included in creditors as deferred income.

Grants of a revenue nature are recognised in the profit or loss in the same period as the related expenditure.

2.6 Interest income

Interest income is recognised in profit or loss using the effective interest method.

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

2. Accounting policies (continued)

2.7 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 profit or loss 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.

2.8 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss 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.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the Balance Sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.9 Tangible fixed assets

Tangible fixed assets 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.

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

2. Accounting policies (continued)

2.9 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following basis:

Long-term leasehold property	- 5% on cost
Plant and machinery	- 5 to 25% reducing balance or 5% on cost
Motor vehicles	- 25% reducing balance
Fixtures and fittings	- 25% reducing balance

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 profit or loss.

2.10 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 first in, first out 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.

2.11 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.

2.12 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. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.13 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 31 DECEMBER 2021

2. Accounting policies (continued)

2.14 Provisions for liabilities

Provisions are made where an event has taken place that gives the Company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

ADANAC VALVE SPECIALITIES LIMITED

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

3. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation					
At 1 January 2021	111,881	773,095	25,991	133,403	1,044,370
Additions	13,106	49,696	-	17,971	80,773
Disposals	-	(20,045)	-	-	(20,045)
At 31 December 2021	124,987	802,746	25,991	151,374	1,105,098
Depreciation					
At 1 January 2021	62,284	429,827	6,498	82,031	580,640
Charge for the year on owned assets	4,912	74,331	4,873	18,570	102,686
Disposals	-	(15,509)	-	-	(15,509)
At 31 December 2021	67,196	488,649	11,371	100,601	667,817
Net book value					
At 31 December 2021	57,791	314,097	14,620	50,773	437,281
At 31 December 2020	49,597	343,268	19,493	51,372	463,730

4. Stocks

	2021 £	2020 £
Finished goods and goods for resale	255,349	248,024
	<u>255,349</u>	<u>248,024</u>

ADANAC VALVE SPECIALITIES LIMITED

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

5. Debtors

	2021 £	2020 £
Trade debtors	134,112	147,317
Amounts owed by group undertakings	121,265	57,429
Prepayments and accrued income	10,270	10,526
Amounts recoverable on long term contracts	15,868	92,541
	<u>281,515</u>	<u>307,813</u>

6. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>1,431,716</u>	<u>1,049,098</u>

7. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	64,655	104,925
Amounts owed to group undertakings	5,600	26,684
Corporation tax	49,065	15,583
Other taxation and social security	141,049	128,325
Other creditors	4,532	4,072
Accruals and deferred income	13,408	8,903
	<u>278,309</u>	<u>288,492</u>

ADANAC VALVE SPECIALITIES LIMITED

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

8. Deferred taxation

	2021 £	2020 £
At beginning of year	(77,383)	(67,642)
Charged to profit or loss	(16,794)	(9,741)
At end of year	(94,177)	(77,383)

The provision for deferred taxation is made up as follows:

	2021 £	2020 £
Accelerated capital allowances	(94,177)	(77,383)
	(94,177)	(77,383)

9. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
18,400 (2020 - 18,400) Ordinary shares of £1.00 each	18,400	18,400

10. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amount to £24,014 (2020 - £23,705). Contributions of £4,532 (2020 - £4,072) were payable to the fund at the balance sheet date and are included in creditors.

11. Controlling party

The company is under the control of its parent company AIV Europe Limited. The ultimate parent undertaking is AIV Holding, a partnership established in the USA. Group financial statements are prepared but are not publicly available.

The parent's registered office and principal place of business are detailed at www.aivinc.com.

ADANAC VALVE SPECIALITIES LIMITED

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

12. Auditors' information

The auditors' report on the financial statements for the year ended 31 December 2021 was unqualified.

The audit report was signed on 7 April 2022 by Jonathan Moore (Senior Statutory Auditor) on behalf of Whitings LLP.

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