

# Sabeti Wain Aerospace Limited

Annual Report and Financial Statements  
for the Year Ended 31 July 2022

Sterling Grove Accountants Limited  
Chartered Certified Accountants  
Fawley House  
2 Regatta Place  
Marlow Road  
Bourne End  
Bucks  
SL8 5TD

# Sabeti Wain Aerospace Limited

## Contents

Company Information	<u>1</u>
Strategic Report	<u>2</u>
Directors' Report	<u>3 to 5</u>
Statement of Directors' Responsibilities	<u>6</u>
Independent Auditor's Report	<u>7 to 10</u>
Profit and Loss Account	<u>11</u>
Balance Sheet	<u>12</u>
Statement of Changes in Equity	<u>13</u>
Statement of Cash Flows	<u>14</u>
Notes to the Financial Statements	<u>15 to 25</u>

# **Sabeti Wain Aerospace Limited**

## **Company Information**

<b>Directors</b>	Mr Parviz Z Sabeti Mr Paymen Sabeti Mrs Mahnoush Sabeti Wain Mr Nicholas Wain Mrs Mehranguiz Sabeti
<b>Company secretary</b>	Mr Parviz Z Sabeti
<b>Registered office</b>	Diamond House 120 Lane End Road Sands High Wycombe Buckinghamshire HP12 4HX
<b>Auditors</b>	Sterling Grove Accountants Limited Chartered Certified Accountants Fawley House 2 Regatta Place Marlow Road Bourne End Bucks SL8 5TD

# Sabeti Wain Aerospace Limited

## Strategic Report for the Year Ended 31 July 2022

The directors present their strategic report for the year ended 31 July 2022.

### Principal activity

The principal activity of the company is manufacture and supply of furnishings for the aerospace industry.

### Fair review of the business

The results for the company for the year, as set out on page 11, show a profit on ordinary activities before tax of £385,290 (2021: £557,737). The shareholders' funds of the company total £9,924,491 (2021: £11,432,297).

Turnover increased 45.6% (2021: 52.2% decrease) year on year to £12,556,077 (2021: £8,625,145). Pre-tax profit decreased by 30.9% (2021: 84.0% increase). The gross margin for the year has gone down by 8.5% to 28.8% (2021: 37.6%). Administrative expenses have increased by 17.3% (2021: 16.1% decrease).

The company's stock holding has increased and stands at £1,732,183 (2021: £1,267,521).

The company's key financial and other performance indicators during the year were as follows:

Financial KPIs	Unit	2022	2021
Turnover	£	12,556,077	8,625,145
Profit before tax	£	385,290	557,737

### Principal risks and uncertainties

The traditional risks to the business of competition from the UK and international companies continues to exist. However with a growing international demand for our products we are focusing on closer relations with our customers to assist them at an early stage in their branding and with improved technology to ensure their orders are completed in a timely manner.

The global pandemic had an unprecedented impact on the company's trading and cash flow since March 2020. The restrictions placed on international travel directly led to sales orders either being delayed or cancelled, which led to a reduction in turnover year on year both for the year ending 31 July 2020 and 2021. This is the first year the company has seen an increase in turnover on prior year levels. The directors continue to monitor the impact of the pandemic on its ongoing trading, taking any steps necessary to mitigate the financial impact.

Approved and authorised by the Board on 30 August 2023 and signed on its behalf by:

.....  
Mr Paymen Sabeti  
Director

# **Sabeti Wain Aerospace Limited**

## **Directors' Report for the Year Ended 31 July 2022**

The directors present their report and the financial statements for the year ended 31 July 2022.

### **Directors of the company**

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

Mr Parviz Z Sabeti - Company secretary and director

Mrs Padideh Sabeti (ceased 1 April 2022)

Mr Paymen Sabeti

Mrs Mahnoush Sabeti Wain

Mr Nicholas Wain

Mrs Mehranguiz Sabeti

### **Financial instruments**

#### ***Objectives and policies***

The company largely sources its raw materials from overseas suppliers and the majority of customers are overseas thus we are exposed to the financial risk of changes in foreign currency exchange rates and interest rates.

The company's principal financial instruments comprise bank balances, trade debtors and trade creditors. The main purpose of these instruments is to finance the business operations.

In respect of bank balances, the liquidity risk is managed by maintaining a balance between the continuity of funding and flexibility through the management of the company bank funds in sterling and other currencies.

Trade debtors are managed in respect of credit and cash flow risk by policies concerning the credit offered to customers and regular monitoring of amounts outstanding for both time and credit limits.

Trade creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts as they fall due.

# **Sabeti Wain Aerospace Limited**

## **Directors' Report for the Year Ended 31 July 2022**

### ***Price risk, credit risk, liquidity risk and cash flow risk***

#### **Currency risk**

The company is exposed to translation and transaction foreign exchange risk.

Some of the company's purchases are transacted in non-sterling. Foreign exchange differences on retranslation of these liabilities are taken to the profit and loss account of the company.

#### **Liquidity risk**

The company seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs.

#### **Interest rate risk**

The company finances its operations through retained profits.

The interest rate exposure of the financial assets and liabilities of the company as at 31 July 2022 is shown in the financial statements.

The balance sheet includes trade debtors and creditors which do not attract interest and are therefore subject to fair value interest rate risk.

#### **Credit risk**

The company's principal financial assets are cash and trade debtors. The credit risk associated with cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises, therefore, from trade debtors.

In order to manage credit risk, management set limits for customers based on a combination of payment history and third party credit references. Credit limits are reviewed periodically by the financial controller.

### **Employment of disabled persons**

Disabled persons are given full and fair consideration for all types of vacancy in as much as the opportunities available are constrained by the practical limitations of the disability. Should, for whatever reason, an employee of the company become disabled whilst in employment, every step, where appropriate will be taken to assist with rehabilitation and suitable retraining. It is company policy that the training, career development and promotion of disabled persons should, as far as possible, be identical to that of other employees.

### **Employee involvement**

Within the bounds of commercial confidentiality, the company endeavours to keep staff at all levels informed of matters that affect the progress of the company and are of interest to them as employees.

The company's aim is to ensure that equality and diversity is a priority. We endeavour to ensure that everyone employed by the company feels an equal sense of belonging in a manner which is fair and free from any form of discrimination.

## **Sabeti Wain Aerospace Limited**

### **Directors' Report for the Year Ended 31 July 2022**

#### **Branches outside the United Kingdom**

The company operates a branch in the Free Trade Zone in Dubai.

#### **Research and development**

The company operates in an ever changing industry environment effected by market trends and fashion. We need to constantly innovate our design and manufacturing techniques to keep ourselves in the forefront of the airline industry.

#### **Disclosure of information to the auditors**

Each director has taken steps that they ought to have taken as a director in order to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information. The directors confirm that there is no relevant information that they know of and of which they know the auditors are unaware.

Approved and authorised by the Board on 30 August 2023 and signed on its behalf by:

.....

Mr Paymen Sabeti

Director

## **Sabeti Wain Aerospace Limited**

### **Statement of Directors' Responsibilities**

The directors acknowledge their responsibilities 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). 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 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.



# **Sabeti Wain Aerospace Limited**

## **Independent Auditor's Report to the Members of Sabeti Wain Aerospace Limited**

### **Opinion**

We have audited the financial statements of Sabeti Wain Aerospace Limited (the 'company') for the year ended 31 July 2022, which comprise the Profit and Loss Account, Balance Sheet, Statement of Changes in Equity, Statement of Cash Flows, and Notes to the Financial Statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 July 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### **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 auditor's 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.

# **Sabeti Wain Aerospace Limited**

## **Independent Auditor's Report to the Members of Sabeti Wain Aerospace Limited**

### **Opinion on other matter 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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and 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 our 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 and the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of directors**

As explained more fully in the statement of director' responsibilities, 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.

### **Auditor 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 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.

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:

## **Sabeti Wain Aerospace Limited**

### **Independent Auditor's Report to the Members of Sabeti Wain Aerospace Limited**

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

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

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

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

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

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

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

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

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

A further description of our responsibilities is available 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 auditor's report.

## **Sabeti Wain Aerospace Limited**

### **Independent Auditor's Report to the Members of Sabeti Wain Aerospace Limited**

#### **Use of our report**

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in 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.

.....

Mr Gino Paolo Amasanti FCCA (Senior Statutory Auditor)

For and on behalf of Sterling Grove Accountants Limited, Statutory Auditor

Fawley House

2 Regatta Place

Marlow Road

Bourne End

Bucks

SL8 5TD

30 August 2023

# Sabeti Wain Aerospace Limited

## Profit and Loss Account for the Year Ended 31 July 2022

	Note	2022 £	2021 £
Turnover	<u>3</u>	12,556,077	8,625,145
Cost of sales		<u>(8,935,836)</u>	<u>(5,406,398)</u>
Gross profit		3,620,241	3,218,747
Administrative expenses		(3,326,861)	(2,836,456)
Other operating income		<u>82,170</u>	<u>172,009</u>
Operating profit	<u>4</u>	<u>375,550</u>	<u>554,300</u>
Other interest receivable and similar income	<u>6</u>	9,740	3,449
Interest payable and similar expenses	<u>7</u>	<u>-</u>	<u>(12)</u>
		<u>9,740</u>	<u>3,437</u>
Profit before tax		385,290	557,737
Tax on profit	<u>11</u>	<u>(63,096)</u>	<u>(47,694)</u>
Profit for the financial year		<u><u>322,194</u></u>	<u><u>510,043</u></u>

The above results were derived from continuing operations.

The company has no recognised gains or losses for the year other than the results above.

# Sabeti Wain Aerospace Limited

(Registration number: 02094671)

## Balance Sheet as at 31 July 2022

	Note	2022 £	2021 £
<b>Fixed assets</b>			
Tangible assets	<u>12</u>	5,403,036	5,280,690
<b>Current assets</b>			
Stocks	<u>13</u>	1,732,183	1,267,521
Debtors	<u>14</u>	5,841,014	3,823,304
Cash at bank and in hand		<u>1,497,981</u>	<u>3,614,264</u>
		9,071,178	8,705,089
<b>Creditors:</b> Amounts falling due within one year	<u>16</u>	<u>(4,316,080)</u>	<u>(2,429,493)</u>
<b>Net current assets</b>		<u>4,755,098</u>	<u>6,275,596</u>
<b>Total assets less current liabilities</b>		10,158,134	11,556,286
<b>Provisions for liabilities</b>	<u>17</u>	<u>(233,643)</u>	<u>(123,989)</u>
<b>Net assets</b>		<u><u>9,924,491</u></u>	<u><u>11,432,297</u></u>
<b>Capital and reserves</b>			
Called up share capital		99,996	99,996
Retained earnings		<u>9,824,495</u>	<u>11,332,301</u>
Shareholders' funds		<u><u>9,924,491</u></u>	<u><u>11,432,297</u></u>

Approved and authorised by the Board on 30 August 2023 and signed on its behalf by:

.....  
Mr Paymen Sabeti  
Director

.....  
Mrs Mahnoush Sabeti Wain  
Director

.....  
Mr Nicholas Wain  
Director

## Sabeti Wain Aerospace Limited

### Statement of Changes in Equity for the Year Ended 31 July 2022

	Share capital £	Retained earnings £	Total £
At 1 August 2021	99,996	11,332,301	11,432,297
Profit for the year	-	322,194	322,194
Dividends	-	(1,830,000)	(1,830,000)
At 31 July 2022	99,996	9,824,495	9,924,491
	Share capital £	Retained earnings £	Total £
At 1 August 2020	99,996	12,622,258	12,722,254
Profit for the year	-	510,043	510,043
Dividends	-	(1,800,000)	(1,800,000)
At 31 July 2021	99,996	11,332,301	11,432,297

# Sabeti Wain Aerospace Limited

## Statement of Cash Flows for the Year Ended 31 July 2022

	Note	2022 £	2021 £
<b>Cash flows from operating activities</b>			
Profit for the year		322,194	510,043
Adjustments to cash flows from non-cash items			
Depreciation and amortisation	<u>4</u>	168,627	156,792
Loss on disposal of tangible assets		36,752	-
Finance income	<u>6</u>	(9,740)	(3,449)
Finance costs	<u>7</u>	-	12
Corporation tax	<u>11</u>	63,096	47,694
		580,929	711,092
Working capital adjustments			
Increase in stocks	<u>13</u>	(464,662)	(13,227)
Increase in trade debtors	<u>14</u>	(2,075,276)	(156,777)
Increase/(decrease) in trade creditors	<u>16</u>	1,886,587	(244,839)
Increase in provisions	<u>17</u>	107,650	3,516
Cash generated from operations		35,228	299,765
Corporation tax paid	<u>11</u>	(3,526)	(1,736,035)
Net cash flow from operating activities		31,702	(1,436,270)
<b>Cash flows from investing activities</b>			
Interest received	<u>6</u>	9,740	3,449
Acquisitions of tangible assets		(327,725)	(306,897)
Net cash flows from investing activities		(317,985)	(303,448)
<b>Cash flows from financing activities</b>			
Interest paid	<u>7</u>	-	(12)
Dividends paid	<u>21</u>	(1,830,000)	(1,800,000)
Net cash flows from financing activities		(1,830,000)	(1,800,012)
Net decrease in cash and cash equivalents		(2,116,283)	(3,539,730)
Cash and cash equivalents at 1 August		3,614,264	7,153,994
Cash and cash equivalents at 31 July		1,497,981	3,614,264



# **Sabeti Wain Aerospace Limited**

## **Notes to the Financial Statements for the Year Ended 31 July 2022**

### **1 General information**

The company is a private company limited by share capital, incorporated in England and Wales, registration number 02094671.

The address of its registered office is:

Diamond House  
120 Lane End Road  
Sands  
High Wycombe  
Buckinghamshire  
HP12 4HX  
United Kingdom

These financial statements were authorised for issue by the Board on 30 August 2023.

### **2 Accounting policies**

#### **Summary of significant accounting policies and key accounting estimates**

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

#### **Statement of compliance**

These financial statements were prepared in accordance with Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland and the Companies Act 2006'.

#### **Basis of preparation**

These financial statements have been prepared using the historical cost convention except that as disclosed in the accounting policies certain items are shown at fair value.

## **Sabeti Wain Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 July 2022**

#### **Revenue recognition**

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. Amounts recoverable on contracts represent the value of sales not invoiced, but which work was completed at the balance sheet date by reference to the stage of completion of the contract. The following criteria must also be met before revenue is recognised:

##### **Sale of goods**

Revenue from 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.

#### **Government grants**

Government grants are recognised under the accrual model of grant recognition. This model requires the grant to be classified as either a revenue-based grant or a capital-based grant.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the entity recognises expenses for the related costs for which the grants are intended to compensate.

Grants relating to assets are recognised in income on a systematic basis over the expected useful life of the asset.

# **Sabeti Wain Aerospace Limited**

## **Notes to the Financial Statements for the Year Ended 31 July 2022**

### **Tax**

The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except that a change attributable to an item of income or expense recognised as other comprehensive income is also recognised directly in other comprehensive income.

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

Deferred tax is recognised in respect of all timing differences between taxable profits and profits reported in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised when it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date and that are expected to apply to the reversal of the timing difference.

### **Tangible assets**

Tangible assets are stated in the balance sheet at cost, less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

The cost of tangible assets includes directly attributable incremental costs incurred in their acquisition and installation.

### **Depreciation**

Depreciation is charged so as to write off the cost of assets, other than land and properties under construction over their estimated useful lives, as follows:

<b>Asset class</b>	<b>Depreciation method and rate</b>
Freehold property	1% on cost
Plant and machinery	20% on reducing balance
Motor vehicles	25% on reducing balance

### **Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and call deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

### **Trade debtors**

Trade debtors are amounts due from customers for merchandise sold or services performed in the ordinary course of business.

Trade debtors are recognised initially at the transaction price. They are subsequently measured at amortised cost using the effective interest method, less provision for impairment. A provision for the impairment of trade debtors is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables.

# **Sabeti Wain Aerospace Limited**

## **Notes to the Financial Statements for the Year Ended 31 July 2022**

### **Stocks**

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost is determined using the first-in, first-out (FIFO) method.

The cost of finished goods and work in progress comprises direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. At each reporting date, stocks are assessed for impairment. If stocks are impaired, the carrying amount is reduced to its selling price less costs to complete and sell; the impairment loss is recognised immediately in profit or loss.

### **Trade creditors**

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if the company does not have an unconditional right, at the end of the reporting period, to defer settlement of the creditor for at least twelve months after the reporting date. If there is an unconditional right to defer settlement for at least twelve months after the reporting date, they are presented as non-current liabilities.

Trade creditors are recognised initially at the transaction price and subsequently measured at amortised cost using the effective interest method.

### **Provisions**

Provisions are recognised when the company has an obligation at the reporting date as a result of a past event, it is probable that the company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

### **Leases**

Leases in which substantially all the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease.

### **Share capital**

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

### **Dividends**

Dividend distribution to the company's shareholders is recognised as a liability in the financial statements in the reporting period in which the dividends are declared.

### **Defined contribution pension obligation**

A defined contribution plan is a pension plan under which fixed contributions are paid into a pension fund and the company has no legal or constructive obligation to pay further contributions even if the fund does not hold sufficient assets to pay all employees the benefits relating to employee service in the current and prior periods.

Contributions to defined contribution plans are recognised as employee benefit expense when they are due. If contribution payments exceed the contribution due for service, the excess is recognised as a prepayment.

## Sabeti Wain Aerospace Limited

### Notes to the Financial Statements for the Year Ended 31 July 2022

#### 3 Turnover

The analysis of the company's revenue for the year from continuing operations is as follows:

	2022 £	2021 £
Sale of goods	12,556,077	8,625,145

In the opinion of the directors it would be seriously prejudicial to the company to disclose the geographical analysis of turnover.

#### 4 Operating profit

Arrived at after charging/(crediting)

	2022 £	2021 £
Depreciation expense	168,627	156,792
Operating lease expense - rent	559,126	571,957
Operating lease expense - equipment hire	3,031	3,013
Loss on disposal of property, plant and equipment	36,752	-
Auditor's remuneration - The audit of the company's annual accounts	19,750	14,750
Auditor's remuneration - Tax services	1,350	1,350
Auditor's remuneration - Other services	23,153	25,420

#### 5 Government grants

The company received government assistance totalling £2,237 (2021 - £37,921) as a direct consequence of the Covid-19 pandemic, in the form of the Coronavirus Job Retention Scheme (CJRS) grant, in respect of the furlough scheme. The company also received a government grant of £nil (2021 - £7,644) through the SME Brexit Support Fund.

The amount of grants recognised in the financial statements was £2,237 (2021 - £45,565).

#### 6 Other interest receivable and similar income

	2022 £	2021 £
Interest income on bank deposits	688	1,280
Other finance income	9,052	2,169
	9,740	3,449

# Sabeti Wain Aerospace Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022

### 7 Interest payable and similar expenses

	2022 £	2021 £
Interest on bank overdrafts and borrowings	-	12

### 8 Staff costs

The aggregate payroll costs (including directors' remuneration) were as follows:

	2022 £	2021 £
Wages and salaries	4,167,265	2,978,267
Social security costs	244,802	277,126
Pension costs, defined contribution scheme	68,850	49,980
	<u>4,480,917</u>	<u>3,305,373</u>

The average number of persons employed by the company during the year, was as follows:

	2022 No.	2021 No.
Directors	6	6
Staff	254	195
	<u>260</u>	<u>201</u>

### 9 Directors' remuneration

The directors' remuneration for the year was as follows:

	2022 £	2021 £
Remuneration	<u>46,250</u>	<u>48,750</u>

### 10 Auditors' remuneration

	2022 £	2021 £
Audit of the financial statements	<u>19,750</u>	<u>14,750</u>
<b>Other fees to auditors</b>		
Taxation compliance services	1,350	1,350
All other assurance services	<u>23,153</u>	<u>25,420</u>
	<u>24,503</u>	<u>26,770</u>

# Sabeti Wain Aerospace Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022

### 11 Taxation

Tax charged/(credited) in the income statement

	2022 £	2021 £
<b>Current taxation</b>		
UK corporation tax	60,000	52,500
UK corporation tax adjustment to prior periods	1,092	(2)
	<u>61,092</u>	<u>52,498</u>
<b>Deferred taxation</b>		
Arising from origination and reversal of timing differences	2,004	(4,804)
	<u>63,096</u>	<u>47,694</u>
Tax expense in the income statement		

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2021 - the same as the standard rate of corporation tax in the UK) of 19% (2021 - 19%).

The differences are reconciled below:

	2022 £	2021 £
Profit before tax	<u>385,290</u>	<u>557,737</u>
Corporation tax at standard rate	73,205	105,970
Effect of expense not deductible in determining taxable profit (tax loss)	10,726	11
Deferred tax expense/(credit) from unrecognised tax loss or credit	2,004	(4,804)
Tax (decrease)/increase from effect of capital allowances and depreciation	(22,839)	12,783
Tax decrease from effect of adjustment in research and development tax credit	-	(66,266)
Total tax charge	<u>63,096</u>	<u>47,694</u>

# Sabeti Wain Aerospace Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022

### 12 Tangible assets

	Land and buildings £	Motor vehicles £	Other tangible assets £	Total £
<b>Cost or valuation</b>				
At 1 August 2021	5,026,096	115,466	1,384,570	6,526,132
Additions	174,354	-	153,371	327,725
Disposals	-	(25,788)	(332,709)	(358,497)
At 31 July 2022	5,200,450	89,678	1,205,232	6,495,360
<b>Depreciation</b>				
At 1 August 2021	201,051	62,986	981,405	1,245,442
Charge for the year	52,004	10,853	105,770	168,627
Eliminated on disposal	-	(16,722)	(305,023)	(321,745)
At 31 July 2022	253,055	57,117	782,152	1,092,324
<b>Carrying amount</b>				
At 31 July 2022	4,947,395	32,561	423,080	5,403,036
At 31 July 2021	4,825,045	52,480	403,165	5,280,690

Included within the net book value of land and buildings above is £4,640,808 (2021 - £4,514,916) in respect of freehold land and buildings and £306,587 (2021 - £310,129) in respect of long leasehold land and buildings.

### 13 Stocks

	2022 £	2021 £
Other inventories	1,732,183	1,267,521

### 14 Debtors

	2022 £	2021 £
<b>Current</b>		
Trade debtors	3,462,758	2,167,913
Other debtors	1,444,020	679,495
Prepayments	357,253	398,864
Gross amount due from customers for contract work	183,387	125,870
Taxation recoverable	393,596	451,162
	5,841,014	3,823,304



# Sabeti Wain Aerospace Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022

### 15 Cash and cash equivalents

	2022 £	2021 £
Cash at bank	1,497,981	3,614,264

### 16 Creditors

	2022 £	2021 £
<b>Due within one year</b>		
Trade creditors	2,174,489	732,506
Directors' current accounts	282,079	398,998
Social security and other taxes	75,247	61,576
Other payables	1,484,976	889,401
Accrued expenses	299,289	347,012
	4,316,080	2,429,493

### 17 Provisions for liabilities

	Deferred tax £	Other provisions £	Total £
At 1 August 2021	67,238	56,751	123,989
Additional provisions	-	105,000	105,000
Increase (decrease) in existing provisions	2,004	2,650	4,654
At 31 July 2022	69,242	164,401	233,643

The deferred tax provision relates to differences between accumulated depreciation and capital allowances. The amount of the net reversal of deferred tax expected to occur next year is £14,195 (2021 - £13,384), relating to the reversal of existing timing differences on tangible fixed assets.

The other provisions include the following: (1) £59,401 (2021: £56,751) relates to an agreed fee for Property Consultancy Services of 1.5% on the total cost associated with the property purchased in the year ended 31 July 2020. This fee is payable on completion of the project the timing of which is currently uncertain. (2) £105,000 relates to dilapidations for the cost of reinstating one of the company's rented warehouse premises to its former condition following the surrender of the lease on 1 November 2022.

# Sabeti Wain Aerospace Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022

### 18 Pension and other schemes

#### Defined contribution pension scheme

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £68,850 (2021 - £49,980).

### 19 Share capital

#### Allotted, called up and fully paid shares

	2022		2021	
	No.	£	No.	£
Ordinary of £1 each	99,996	99,996	99,996	99,996

### 20 Obligations under leases and hire purchase contracts

#### Operating leases

The total of future minimum lease payments is as follows:

	2022	2021
	£	£
Not later than one year	26,315	80,449
Later than one year and not later than five years	391,504	1,040,498
	<u>417,819</u>	<u>1,120,947</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £420,940 (2021 - £428,211).

### 21 Dividends

	2022	2021
	£	£
Interim dividend of £1,830,000.00 (2021 - £1,800,000.00) per ordinary share	1,830,000	1,800,000

# Sabeti Wain Aerospace Limited

## Notes to the Financial Statements for the Year Ended 31 July 2022

### 22 Related party transactions

#### Other transactions with directors

The company leases one of its trading premises from the directors' at an annual cost of £135,000 (2021: £135,000).

Two of the directors had a joint overdrawn directors' loan account at the balance sheet date of £374,121 (2021: £432,952). Advances to these directors during the year totalled £1,082,898 (2021: £942,172) and repayments made by these directors totalled £1,141,729 (2021: £938,554).

Another director had an overdrawn directors' loan account at the balance sheet date of £421,536 (2021: £nil). Advances to this director during the year totalled £1,145,584 and repayments made by this director totalled £724,048. These loans are unsecured and repayable on demand.

During the year interest of £5,526 (2021: £2,169) was charged on these loans at a rate of 2% (2021: 2 - 2.5% pa).

### 23 Financial instruments

#### Categorisation of financial instruments

	2022 £	2021 £
Financial assets that are debt instruments measured at amortised cost	4,906,778	2,847,408
Financial liabilities measured at amortised cost	3,941,544	2,020,905

### 24 Parent and ultimate parent undertaking

The ultimate controlling party is the directors.

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.