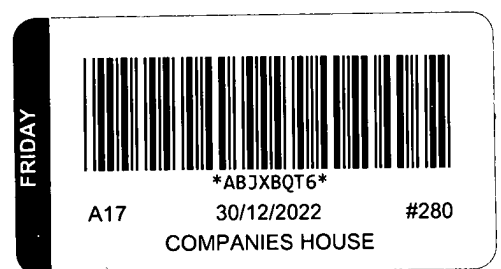


Registration number: 02336358

# Penny & Giles Aerospace Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2021



# **Penny & Giles Aerospace Limited**

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## **Penny & Giles Aerospace Limited**

### **Company Information**

<b>Directors</b>	K R Barron K C Farkas P J Ferdenzi R I Parkinson K T A Rooney M A Salmon
<b>Company secretary</b>	M S O'Casal Reed Smith Corporate Services Limited R F Freda P J Ferdenzi
<b>Registered office</b>	15 Enterprise Way Aviation Park West Bournemouth International Airport Christchurch Dorset BH23 6HH
<b>Solicitors</b>	Reed Smith The Broadgate Tower 20 Primrose Street London EC2A 2RS
<b>Bankers</b>	HSBC 3 Temple Quay Level 4 Bristol BH1 6DZ
<b>Auditors</b>	Deloitte LLP Statutory Auditor Abbots House Abbey Street Reading Berkshire RG1 3BD

## **Penny & Giles Aerospace Limited**

### **Strategic Report for the Year Ended 31 December 2021**

The directors present their strategic report for the year ended 31 December 2021. 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**

The principal activity of the Company is the manufacturer of a range of systems controllers and sensors in the commercial aerospace and military markets. As at 31 December 2020 certain trade and assets of Curtiss-Wright Controls (UK) Limited and Primagraphics Limited were transferred to the company at net book value. Prior to to that date the company was dormant. The directors are not aware, at the date of this report, of any likely further major changes in the Company's activities in the next year. The Company is a wholly owned subsidiary of Curtiss-Wright Controls (UK) Limited.

#### **Fair review of the business**

The directors report a profit before tax of £5.0m. The gross margin percentage is 46.0%, delivering an operating margin of 18.2%. Although the turnover now is lower compared to the combined figure before the structure change, partially due to the impact of covid on the aerospace business this is often the case where the effect of global issues in the aerospace sector lag behind other industries, gross and operating margins have improved which was the desired effect. The company is absorbing the additional costs of the increased health and safety control measures required to minimise the COVID19 risks in the workplace.

Net current assets have improved despite the worldwide shortage of electrical components which combined with longer lead times has increased stock holding. This has been offset by higher cash on hand balances following a full year of trading.

#### **Key performance indicators**

Curtiss-Wright Corporation manages its operations on a business segment basis of which, Penny & Giles Aerospace Limited is part of the Defence 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 or the development, performance or position of the Company. The performance of various business segments, which includes the Company, are discussed in Curtiss-Wright Corporation's Group Annual Report which does not form part of this report.

## **Penny & Giles Aerospace Limited**

### **Strategic Report for the Year Ended 31 December 2021 (continued)**

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

The Company operates in a highly competitive market, this is a continuing risk but our principal markets are already showing signs of improvement post COVID19. The worldwide shortage of components remains challenging but measures implemented (as mentioned in the Business Review) are limiting our exposure. The Company's competitive risk is managed by providing value added services, maintaining our investment in intellectual property and delivering high quality products to our customers.

#### **Section 172(1) statement**

##### **General confirmation of director's 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 complexities of the continued impact of COVID19. 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. Hybrid working has been introduced temporarily and contact has been maintained despite this 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.

## **Penny & Giles Aerospace Limited**

### **Strategic Report for the Year Ended 31 December 2021 (continued)**

#### **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.

#### **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.

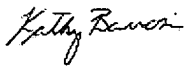
After weighing up all relevant factors, the Directors consider which course of action best enables delivery of our strategy through the long-term, taking into consideration the impact on stakeholders. In doing so, our Directors act fairly as possible between the Company's internal stakeholders but are 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.

## **Penny & Giles Aerospace Limited**

### **Strategic Report for the Year Ended 31 December 2021 (continued)**

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.

Approved and authorised by the Board on 28 December 2022 and signed on its behalf by:



.....  
K R Barron  
Director

## **Penny & Giles Aerospace Limited**

### **Directors' Report for the Year Ended 31 December 2021**

The directors present their report and the audited financial statements for the year ended 31 December 2021. The contents of the section 414 statement are included in the Strategic Report.

#### **Directors of the Company**

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

K R Barron

K C Farkas

R I Parkinson (appointed 11 June 2021)

K T A Rooney

M A Salmon (appointed 20 January 2021)

R Shaw (ceased 1 June 2022)

M Liversidge (ceased 11 June 2021)

The following director was appointed after the year end:

P J Ferdenzi (appointed 1 June 2022)

#### **Directors' liabilities**

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.

#### **Dividends**

The directors recommend a final dividend payment of £Nil (2020 - £Nil) be made in respect of the financial year ended 31 December 2021.

## Penny & Giles Aerospace Limited

### Directors' Report for the Year Ended 31 December 2021 (continued)

#### Streamlined Energy and Carbon Reporting (SECR)

The Board of Directors remain committed to environmental aspects, submitting reporting as required to the Energy Savings Opportunity Scheme (ESOS). We recognise that remaining focussed on energy usage is important as part of our wider corporate and social responsibility and therefore take our reporting in this area seriously under both the ESOS and the Streamlined Energy and Carbon Reporting regime (the "SECR regime").

Our reporting under ESOS provided the following data for the 2 combined UK facilities:

Greenhouse gas emissions and energy usage data for year ended 31 December		
	2020 Comparator	2021 concurrent
Electricity energy consumption used to calculate emissions	3,082,706 kWh	2,973,739 kWh
Natural gas energy consumption used to calculate emissions	333,007 kWh	201,349 kWh
Emissions from combustion of electricity	872.6 tCO <sub>2</sub> e	841.7 tCO <sub>2</sub> e
Emissions from combustion of gas	61.3 tCO <sub>2</sub> e	37.04 tCO <sub>2</sub> e
Emissions from business travel in company owned vehicles	18.1 tCO <sub>2</sub> e	24.038 tCO <sub>2</sub> e
Emissions from business travel in rental cars or employee-owned vehicles where company is responsible for purchasing the fuel	5.5 tCO <sub>2</sub> e	6.0 tCO <sub>2</sub> e (Estimated)
Emissions from combustion of gasoline	15.1 tCO <sub>2</sub> e	16.0 tCO <sub>2</sub> e (Estimated)
Total gross tonnes CO <sub>2</sub> e based on above	972.6 tCO <sub>2</sub> e	932.39 tCO <sub>2</sub> e
Number of employees	550	550
Intensity ratio	1.77 tCO <sub>2</sub> e per employee	1.695 tCO <sub>2</sub> e per employee

#### Methodology

The Company gathered input from a number of sources such as billing/invoice data, organisation mileage data and employee transport data. Using the latest figures provided by The Department for Business, Energy and Industrial Strategy (BEIS) and The Department for Environment, Food and Rural Affairs (DEFRA), the data was converted into Tonnes of Carbon Dioxide equivalent (tonnes of CO<sub>2</sub> Energy Efficiency).

## **Penny & Giles Aerospace Limited**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

#### **Actions**

The ESOS survey has recommended minor remedial work to reduce our energy use, the actions taken by the Company were:

- UK goals were established and aligned;
- No diesel company owned or leased vehicles; limited to 1.2 litre;
- HVAC sensors repositioned and software changes to improve HVAC management;
- Leak detection inspections of compressed air systems to maximise efficiency;
- Timed water heaters to reduce usage.

There were some additional recommendations which due to the comprehensive programme in response to the ongoing COVID19 situation were postponed. These will be re-evaluated and where practicable introduced in line with the next survey which is due in September 2022.

#### **Financial risk management**

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

The Company's activities expose it to a number of financial risks including foreign exchange risk, credit risk and liquidity risk.

##### **Foreign Exchange risk**

The Company sources products from Europe, the United States of America and the Far East and is therefore exposed to movement in currency exchange rates and the effect of these on the costs of its materials.

The Company's revenues from the North American market are denominated in US Dollars and revenue from European markets are denominated in Euros. The Company is therefore exposed to the movement in the US Dollar and Euro to the UK pound exchange rate. The effect of these movements is monitored on a monthly basis. Treasury policy is determined by the ultimate holding company.

##### **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.

## **Penny & Giles Aerospace Limited**

### **Directors' Report for the Year Ended 31 December 2021 (continued)**

#### **Employment of disabled persons**

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.

#### **Future developments**

The directors expect the general level of activity to continue to improve as we return to some level of 'normality' as the world adapts to the longer term effects of COVID19. The challenges of sourcing certain components will continue in the immediate future. To optimise cash flow the Company has the ability to pull forward accounts receivables through customer portals. Expectations are that we can deliver comparable operating margins as we continue with our cost saving programmes across all disciplines.

#### **Research and development**

The Company has an active programme of research and development, the costs of which expensed in the year amounted to £1.6m (2020 - Nil). We continue to work on adding new products, developing existing products and customer specific designs.

#### **Going concern**

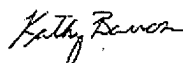
The Company's forecasts and projections prepared for 12 months following the signing of these accounts, taking account of potential changes in trading performance, combined with its improving net current asset position coming into 2021 demonstrate that it is highly probable that the company will be able to operate within its existing cash resources.

Therefore, after making appropriate enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the near future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and financial statements. Further details regarding the adoption of the going concern basis can be found in note 1 to the financial statements.

#### **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 28 December 2022 and signed on its behalf by:



.....  
K R Barron  
Director

## **Penny & Giles 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 including FRS102 and applicable law) including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom 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.

## **Penny & Giles Aerospace Limited**

### **Independent Auditor's Report to the Members of Penny & Giles Aerospace Limited**

#### **Opinion**

In our opinion the financial statements of Penny & Giles Aerospace Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2021 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 23.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, 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 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.

## **Penny & Giles Aerospace Limited**

### **Independent Auditor's Report to the Members of Penny & Giles Aerospace Limited (continued)**

#### **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 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 Statement of Directors' Responsibilities [set out on page 10], 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.

## **Penny & Giles Aerospace Limited**

### **Independent Auditor's Report to the Members of Penny & Giles Aerospace Limited (continued)**

#### **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.

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

The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

## **Penny & Giles Aerospace Limited**

### **Independent Auditor's Report to the Members of Penny & Giles Aerospace Limited (continued)**

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 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 area, and our specific procedure performed to address it are described below:

- Manual reversals of inventory provisioning: We assessed the design and implementation, and operating effectiveness of controls around the reversal process. We assessed the future demand of items against the provision held, and inquired with the relevant project managers to ensure items would be utilized. We performed a retrospective review of reversals in the prior year and compared usage in the current year.

## **Penny & Giles Aerospace Limited**

### **Independent Auditor's Report to the Members of Penny & Giles Aerospace Limited (continued)**

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.

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 specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

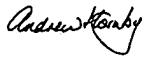
We have nothing to report in respect of these matters.

## **Penny & Giles Aerospace Limited**

### **Independent Auditor's Report to the Members of Penny & Giles Aerospace Limited (continued)**

#### **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.



Andrew Hornby FCA (Senior Statutory Auditor)  
For and on behalf of Deloitte LLP, Statutory Auditor

Abbots House  
Abbey Street  
Reading  
Berkshire  
RG1 3BD

28 December 2022

## Penny & Giles Aerospace Limited

### Profit and Loss Account for the Year Ended 31 December 2021

	Note	2021 £ 000	2020 £ 000
Turnover	3	30,022	-
Cost of sales		<u>(16,203)</u>	<u>-</u>
Gross profit		13,819	-
Administrative expenses		(8,426)	-
Other operating income	4	<u>61</u>	<u>-</u>
Operating profit	5	5,454	-
Interest payable and similar expenses	6	<u>(484)</u>	<u>-</u>
Profit before tax		4,970	-
Tax on profit	10	<u>(1,156)</u>	<u>-</u>
Profit for the financial year		<u><u>3,814</u></u>	<u><u>-</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.

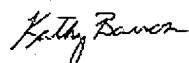
The notes on pages 20 to 41 form an integral part of these financial statements.

# Penny & Giles Aerospace Limited

(Registration number: 02336358)  
Balance Sheet as at 31 December 2021

	Note	2021 £ 000	2020 £ 000
<b>Fixed assets</b>			
Intangible assets	11	11,032	13,034
Tangible assets	12	<u>672</u>	<u>856</u>
		<u>11,704</u>	<u>13,890</u>
<b>Current assets</b>			
Stocks	13	10,360	8,586
Debtors	14	9,681	7,334
Cash at bank and in hand	15	<u>8,059</u>	<u>2,493</u>
		28,100	18,413
<b>Creditors: Amounts falling due within one year</b>	16	<u>(12,235)</u>	<u>(7,218)</u>
<b>Net current assets</b>		<u>15,865</u>	<u>11,195</u>
<b>Total assets less current liabilities</b>		27,569	25,085
<b>Creditors: Amounts falling due after more than one year</b>	16	(16,007)	(16,007)
<b>Provisions for liabilities</b>	17	<u>(1,115)</u>	<u>(2,445)</u>
<b>Net assets</b>		<u>10,447</u>	<u>6,633</u>
<b>Capital and reserves</b>			
Called up share capital	19	6,633	6,633
Retained earnings		<u>3,814</u>	<u>-</u>
<b>Shareholders' funds</b>		<u>10,447</u>	<u>6,633</u>

Approved and authorised by the Board on 28 December 2022 and signed on its behalf by:



.....  
K R Barron  
Director

The notes on pages 20 to 41 form an integral part of these financial statements.

## Penny & Giles Aerospace Limited

### Statement of Changes in Equity for the Year Ended 31 December 2021

	Share capital £ 000	Retained earnings £ 000	Total £ 000
At 1 January 2021	6,633	-	6,633
Profit for the year	-	3,814	3,814
At 31 December 2021	<u>6,633</u>	<u>3,814</u>	<u>10,447</u>

	Share capital £ 000	Total £ 000
At 1 January 2020	6,633	6,633
At 31 December 2020	<u>6,633</u>	<u>6,633</u>

The notes on pages 20 to 41 form an integral part of these financial statements.

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021**

#### **1 General information**

The Company is a private company limited by share capital, incorporated in United Kingdom.

The address of its registered office is:

15 Enterprise Way  
Aviation Park West  
Bournemouth International Airport  
Christchurch  
Dorset  
BH23 6HH  
United Kingdom

These financial statements were authorised for issue by the Board on 28 December 2022.

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **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.

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

##### **Summary of disclosure exemptions**

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. The Company 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.

##### **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.

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Going concern**

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the strategic report. The strategic report also describes the Company's financial risk management objectives; details of its financial instruments; and its exposure to credit risk and liquidity risk.

The Company meets its day-to-day working capital requirements through cash on hand and cash generated from operations. The current economic conditions create uncertainty particularly over (a) the level of demand for the Company's products; and (b) the exchange rate between sterling and US dollar and thus the consequence for the cost of the Company's raw materials.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, show that the Company should be able to operate within the level of its current cash resources.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the near future being for a period of at least 12 months from the signing of these financial statements. Sensitivity analysis, considering all available information about the impact on future trading has been carried out in light of COVID19 and there is no material uncertainty on its ability to continue as a going concern.

Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statements.

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Judgements**

In the application of the Company's accounting policies, which are described in note 2, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

##### **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 to be those key estimates and assumptions.

Impairment of intangible assets and investments.

Determining whether intangible assets are 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 intangible asset and a suitable discount rate in order to calculate present value.

##### **Revenue recognition**

Turnover comprises the fair value of the consideration received or receivable for the sale of goods and provision of services in the ordinary course of the Company's activities. Turnover is shown net of sales/value added tax, returns, rebates and discounts.

The Company recognises revenue when:

The amount of revenue can be reliably measured;

it is probable that future economic benefits will flow to the entity;

and specific criteria have been met for each of the company's activities.

##### **Foreign currency transactions and balances**

Transactions in foreign currencies are initially recorded at the functional currency rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated into the respective functional currency of the entity at the rates prevailing on the reporting period date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rate on the date when the fair value is re-measured.

Non-monetary items measured in terms of historical cost in a foreign currency are not retranslated.

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Tax**

The tax expense for the period comprises current 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 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.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to property, plant and equipment measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and liabilities are offset only if: a) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **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.

Residual value represents the estimated amount that would currently be obtained from the disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

##### **Depreciation**

Depreciation is provided on all tangible fixed assets other than investment properties and freehold land at rates calculated to write off the cost of valuation less residual value of each asset on a straight line basis over its expected useful life, as follows -

<b>Asset class</b>	<b>Depreciation method and rate</b>
Leasehold improvements	20 years
Plant and Machinery	10% to 33% per annum
Fixtures and Fittings	20% to 50% per annum
Motor Vehicles	20% to 50% per annum

##### **Goodwill**

Goodwill arising on the acquisition of an entity represents the excess of the cost of acquisition over the Company's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities of the entity recognised at the date of acquisition. Goodwill is initially recognised as an asset at cost and is subsequently measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is held in the currency of the acquired entity and revalued to the closing rate at each reporting period date. Goodwill is amortised over its useful life, which shall not exceed ten years if a reliable estimate of the useful life cannot be made.

##### **Amortisation**

Amortisation is provided on intangible assets so as to write off the cost, less any estimated residual value, over their useful life as follows:

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

<b>Asset class</b>	<b>Amortisation method and rate</b>
Goodwill	20 years
Trade Marks	5 years
Developed Technologies	16 years

#### **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.

#### **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. Provision is made for obsolete, slow-moving or defective items where appropriate.

#### **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.

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Borrowings**

Interest-bearing borrowings are initially recorded at fair value, net of transaction costs. Interest-bearing borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the profit and loss account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

##### **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.

##### **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.

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

##### **Financial instruments**

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

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:

- a. 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.
- b. 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.
- c. 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).
- d. 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.
- e. 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.
- f. 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).

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **2 Accounting policies (continued)**

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.

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.

#### **3 Turnover**

An analysis of the Company's turnover by class of business is set out below:

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Sale of goods	<u>30,022</u>	<u>-</u>

## Penny & Giles Aerospace Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 3 Turnover (continued)

The geographical analysis of turnover by destination was:

	2021 £ 000	2020 £ 000
Europe - United Kingdom	6,006	-
Europe - Continental	4,966	-
Africa	83	-
Americas	16,776	-
Asia	2,057	-
Australasia	134	-
	<u>30,022</u>	<u>-</u>

The analysis of the Company's turnover for the year by class of business is as follows:

	2021 £ 000	2020 £ 000
Commercial sales	16,027	-
Government sales	13,208	-
Intercompany sales	787	-
	<u>30,022</u>	<u>-</u>

#### 4 Other operating income

The analysis of the Company's other operating income for the year is as follows:

	2021 £ 000	2020 £ 000
Government grants - Covid job retention scheme	<u>61</u>	<u>-</u>

#### 5 Operating profit

Arrived at after charging/(crediting)

# **Penny & Giles Aerospace Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

### **5 Operating profit (continued)**

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Cost of stock recognised as expense	7,222	-
Depreciation expense	189	-
Amortisation expense	2,002	-
Write-down of stocks to net realisable value	186	-
Foreign exchange gains	(127)	-
Operating lease expense - property	85	-
Redundancy costs	17	-
Research and development	<u>1,757</u>	<u>-</u>

### **6 Interest payable and similar expenses**

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Interest on bank overdrafts and borrowings	4	-
Interest payable on loans from group undertakings	<u>480</u>	<u>-</u>
	<u>484</u>	<u>-</u>

### **7 Staff costs**

Where the 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.

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

	<b>2021</b>	<b>2020</b>
	<b>£ 000</b>	<b>£ 000</b>
Wages and salaries	5,261	-
Social security costs	528	-
Pension costs, defined contribution scheme	446	-
Redundancy costs	<u>17</u>	<u>-</u>
	<u>6,252</u>	<u>-</u>

# **Penny & Giles Aerospace Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

### **7 Staff costs (continued)**

The average number of persons employed by the Company (including directors) during the year, analysed by category was as follows:

	<b>2021 No.</b>	<b>2020 No.</b>
Production	84	-
Administration and support	5	-
Sales, marketing and distribution	10	-
	<u>99</u>	<u>-</u>

### **8 Directors' remuneration**

	<b>2021 £ 000</b>	<b>2020 £ 000</b>
<b>Directors' emoluments</b>		
Emoluments	456	-
Pension Contributions (defined contribution scheme)	<u>19</u>	<u>-</u>

During the year the number of directors who were receiving benefits and share incentives was as follows:

	<b>2021 No.</b>	<b>2020 No.</b>
Received or were entitled to receive shares under long term incentive schemes	3	-
Accruing benefits under money purchase pension scheme	<u>3</u>	<u>-</u>

In respect of the highest paid director:

	<b>2021 £ 000</b>	<b>2020 £ 000</b>
Remuneration	174	-
Benefits under long-term incentive schemes (excluding shares)	14	-
Company contributions to money purchase pension schemes	<u>6</u>	<u>-</u>

**Penny & Giles Aerospace Limited**

**Notes to the Financial Statements for the Year Ended 31 December 2021  
(continued)**

**9 Auditors' remuneration**

	<b>2021 £ 000</b>	<b>2020 £ 000</b>
Audit of the financial statements	<u>75</u>	<u>15</u>

## Penny & Giles Aerospace Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 10 Taxation

Tax charged in the profit and loss account

	2021 £ 000	2020 £ 000
UK income tax	1,156	-

The tax on profit before tax for the year is the same as the standard rate of corporation tax in the UK (2020 - the same as the standard rate of corporation tax in the UK) of 19% (2020 - 19%).

The differences are reconciled below:

	2021 £ 000	2020 £ 000
Profit before tax	4,970	-
Corporation tax at standard rate	944	-
Effect of expense not deductible in determining taxable profit (tax loss)	134	-
Deferred tax expense relating to changes in tax rates or laws	50	-
Increase in UK and foreign current tax from adjustment for prior periods	28	-
Tax decrease from effect of capital allowances and depreciation	(26)	-
Tax decrease from other short-term timing differences	(4)	-
Other tax effects for reconciliation between accounting profit and tax expense (income)	30	-
Total tax charge	1,156	-

# **Penny & Giles Aerospace Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

### **10 Taxation (continued)**

#### **Deferred tax**

Deferred tax assets and liabilities

<b>2021</b>	<b>Asset £ 000</b>
Accelerated capital allowances	189
Unpaid remuneration	72
pension contributions	3
	<u>264</u>

<b>2020</b>	<b>Asset £ 000</b>
Accelerated capital allowances	178
Unpaid remuneration	62
pension contributions	3
	<u>243</u>

The main rate of UK Corporation tax applicable during the year was 19% (2020: 19%) Legislation was introduced in the Finance Bill 2021 to increase the main rate of UK Corporation tax from 19% to 25% effective 1 April 2023.

# **Penny & Giles Aerospace Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

### **11 Intangible assets**

	<b>Goodwill £ 000</b>	<b>Trademarks, patents and licenses £ 000</b>	<b>Developed Technologies £ 000</b>	<b>Total £ 000</b>
<b>Cost or valuation</b>				
At 1 January 2021	42,526	288	2,337	45,151
At 31 December 2021	42,526	288	2,337	45,151
<b>Amortisation</b>				
At 1 January 2021	29,536	288	2,294	32,118
Amortisation charge	1,958	-	43	2,001
At 31 December 2021	31,494	288	2,337	34,119
<b>Carrying amount</b>				
At 31 December 2021	11,032	-	-	11,032
At 31 December 2020	12,990	-	44	13,034

# Penny & Giles Aerospace Limited

## Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

### 12 Tangible assets

	Long leasehold land and buildings £ 000	Fixtures and fittings £ 000	Plant and machinery £ 000	Capital in Progress £ 000	Total £ 000
<b>Cost or valuation</b>					
At 1 January 2021	216	1,253	2,524	425	4,418
Additions	-	-	-	15	15
Disposals	-	-	-	(10)	(10)
At 31 December 2021	216	1,253	2,524	430	4,423
<b>Depreciation</b>					
At 1 January 2021	209	1,133	2,220	-	3,562
Charge for the year	4	68	117	-	189
At 31 December 2021	213	1,201	2,337	-	3,751
<b>Carrying amount</b>					
At 31 December 2021	3	52	187	430	672
At 31 December 2020	7	120	304	425	856

### 13 Stocks

	2021 £ 000	2020 £ 000
Raw materials and consumables	8,180	5,527
Work in progress	1,762	1,819
Finished goods and goods for resale	418	1,240
	<u>10,360</u>	<u>8,586</u>

There is no material difference between the balance sheet value of stocks and their replacement cost.

# **Penny & Giles Aerospace Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

### **14 Debtors**

<b>Current</b>	<b>Note</b>	<b>2021 £ 000</b>	<b>2020 £ 000</b>
Trade debtors		7,481	6,955
Amounts owed by related parties	22	1,300	10
Prepayments		418	126
Deferred tax assets	10	264	243
Income tax asset	10	218	-
		<u>9,681</u>	<u>7,334</u>

All amounts owed by intercompany partners are current, repayable on demand and do not attract interest or have security

### **15 Cash and cash equivalents**

	<b>2021 £ 000</b>	<b>2020 £ 000</b>
Cash at bank	<u>8,059</u>	<u>2,493</u>

### **16 Creditors**

	<b>Note</b>	<b>2021 £ 000</b>	<b>2020 £ 000</b>
<b>Due within one year</b>			
Trade creditors		5,021	4,064
Amounts due to related parties	22	3,367	-
Social security and other taxes		31	15
Accruals and deferred income		<u>3,816</u>	<u>3,139</u>
		<u>12,235</u>	<u>7,218</u>
<b>Due after one year</b>			
Loans and borrowings	20	<u>16,007</u>	<u>16,007</u>

## Penny & Giles Aerospace Limited

### Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)

#### 16 Creditors (continued)

All amounts owed to intercompany partners are repayable on demand and do not attract interest or have a security with the exception of a loan from Curtiss-Wright Controls (UK) Ltd of £16M and the loan from Curtiss-Wright Flow control (UK) Ltd of £1.9M both of which are repayable on demand but attract interest.

#### 17 Provisions for liabilities

	Warranties £ 000	Onerous contracts £ 000	Total £ 000
At 1 January 2021	-	2,445	2,445
Additional provisions	139	-	139
Decrease in existing provisions	-	(1,469)	(1,469)
At 31 December 2021	<u>139</u>	<u>976</u>	<u>1,115</u>

#### 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 £446,248 (2020 - £Nil).

#### 19 Share capital

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

	2021		2020	
	No. 000	£ 000	No. 000	£ 000
Ordinary shares of £1 each	<u>6,633</u>	<u>6,633</u>	<u>6,633</u>	<u>6,633</u>

# **Penny & Giles Aerospace Limited**

## **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

### **19 Share capital (continued)**

#### **Rights, preferences and restrictions**

The Company has one class of ordinary shares that carry no right to fixed income.

The Company's other reserves are as follows:

The profit and loss reserve represents cumulative profits or losses, including unrealised profit on the remeasurement of investment properties, net of dividends paid and other adjustments.

### **20 Loans and borrowings**

	<b>2021</b> <b>£ 000</b>	<b>2020</b> <b>£ 000</b>
<b>Non-current loans and borrowings</b>		
Loans from intercompany partners	<u>16,007</u>	<u>16,007</u>

### **21 Obligations under leases and hire purchase contracts**

#### **Operating leases**

The total of future minimum lease payments is as follows:

	<b>2021</b> <b>£ 000</b>	<b>2020</b> <b>£ 000</b>
Not later than one year	74	-
Later than one year and not later than five years	<u>252</u>	<u>-</u>
	<u>326</u>	<u>-</u>

The amount of non-cancellable operating lease payments recognised as an expense during the year was £85,320 (2020 - £Nil).

## **Penny & Giles Aerospace Limited**

### **Notes to the Financial Statements for the Year Ended 31 December 2021 (continued)**

#### **22 Related party transactions**

##### **Summary of transactions with other related parties**

As a wholly-owned subsidiary undertaking of Curtiss-Wright Corporation, the company has taken advantage of the exemption in FRS 102 33.1a from disclosing transactions with other members of the group headed by Curtiss-Wright Corporation.

#### **23 Parent and ultimate parent undertaking**

The Company's immediate parent is Curtis-Wright Controls (UK) Limited, incorporated in United Kingdom.

The ultimate parent is Curtiss-Wright Corporation, incorporated in United States.

The most senior parent entity producing publicly available financial statements is Curtiss-Wright Corporation. These financial statements are available upon request from 130 Harbour Place Drive, Suite 300 Davidson, North Carolina NC 28036 United States of America.

The parent of the largest group in which these financial statements are consolidated is Curtiss-Wright Corporation, incorporated in United States.

The address of Curtiss-Wright Corporation is:  
130 Harbour Place Drive, Suite 300 Davidson, North Carolina NC 28036 USA.

The parent of the smallest group in which these financial statements are consolidated is Curtiss-Wright Controls Inc, incorporated in USA.