

COMPANY REGISTRATION NUMBER 2640726

ALDERLEY INTERNATIONAL LIMITED

FINANCIAL STATEMENTS

30 SEPTEMBER 2022

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ALDERLEY INTERNATIONAL LIMITED
FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2022

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COMPANY INFORMATION

The board of directors	P A Slatter
Registered number	2640726
Registered office	Alderley House Arnolds Field Estate The Downs Wickwar Wotton-Under-Edge Gloucestershire GL12 8JD

ALDERLEY INTERNATIONAL LIMITED

BALANCE SHEET

COMPANY REGISTRATION NUMBER 2640726

AS AT 30 SEPTEMBER 2022

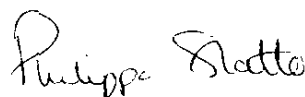
	Note	2022 £	2021 £
CREDITORS: Amounts falling due within one year	4	-	346,235
NET CURRENT LIABILITIES		-	(346,235)
NET LIABILITIES		-	(346,235)
CAPITAL AND RESERVES			
Called-up equity share capital	5	500	500
Profit and loss account		(500)	(346,735)
DEFICIT		-	(346,235)

For the year ended 30 September 2022 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies

Directors' responsibilities:

- The members have not required the company to obtain an audit of its accounts for the year in question in accordance with section 476;
- The director acknowledges their responsibility for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements; and
- The financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime and a copy of the Statement of Income and Retained Earnings has not been delivered.

The financial statements of Alderley International Limited, registered number 2640726 were approved by the director and authorised for issue on 23rd June 2023.



P A Slatter

Director

ALDERLEY INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2022**

1. General information

Alderley International Limited is a private company, limited by shares, incorporated in England and Wales under the Companies Act. The address of the registered office is given on the Company information page.

2. Accounting policies**2.1 Basis of preparation of financial statements**

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

The functional and presentational currency of these financial statements is GBP. Values are rounded to the nearest pound.

The following principal accounting policies have been applied:

2.2 Financial Reporting Standard 102 - reduced disclosure exemptions

The Company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by the FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland":

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 3 Financial Statement Presentation paragraph 3.17(d);
- the requirements of Section 11 Financial Instruments paragraphs 11.42, 11.44 to 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirements of Section 12 Other Financial Instruments paragraphs 12.26 to 12.27, 12.29(a), 12.29(b) and 12.29A; and
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Alderley plc as at 30 September 2022 and these financial statements may be obtained from Alderley House, Arnolds Field Estate, The Downs, Wickwar, Wotton-Under-Edge, Gloucestershire, GL12 8JD.

2.3 Parent company exemption

The Company has taken advantage of the exemption from preparing consolidated financial statements afforded by Section 400 of the Companies Act 2006 because it is a wholly owned subsidiary of Alderley plc, which prepares consolidated financial statements that are publicly available. Accordingly, group financial statements have not been prepared and information in the financial statements is presented for the individual company rather than the Group.

ALDERLEY INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)**2.4 Going concern**

The Company is a subsidiary of Alderley Group (The Group). The Group's main banking facilities are managed by Alderley plc and are provided by Lloyds Bank plc with guarantees from UK Export Finance (UKEF). The Group's assets, including those held in the subsidiaries are collateralised as security, enabling a group-wide banking facility. Consequently, the ability of the Company to continue as a going concern is dependent on the overall Group's financial condition and performance.

In preparing the financial statements on the going concern basis, the Director has considered the areas outlined below:

Financing

The Director has considered the overdraft, trade finance and bonding requirements for both the Group and the Company together with the availability of such facilities as are required.

An overdraft facility of £2.9m and bonding facility of £8.0m is in place with Lloyds Bank with its next review on 31 March 2024. The Group has a long-term relationship with Lloyds Bank and the Director anticipates that these facilities will be renewed.

Following changes made by the UK Government to UKEF policy objectives in 2021 removing support for fossil fuel energy sector overseas, existing facilities with UKEF are in the process of winding down. UKEF-backed bonding and guarantees totalling £2.6m across the Group are due to expire during 2023.

Climate Change

The Director is cognisant of the growing political focus on reducing harmful emissions into the environment. Developments in this field are continuously monitored so that any impact on the Group's business prospects are fully understood.

The Group will evolve during this transition period, adapting existing offerings to match the new carbon-neutral markets and diversifying into adjacent energy markets.

The Director considers the key issues to be:

- The world must reduce emissions and Governments are making commitments which, as yet, have not been fully enacted. When these become clear and definitive the Director will put in place an appropriate strategy.
- The energy transition to a system based on renewables will likely take decades. The Director recognises that there is a need to diversify into other industries and the Group will continue this ongoing process.
- Low-cost producers of hydrocarbons continue to be our biggest customers and they will react to the changing world by remaining cost-competitive, which will slow the pace of transition to more expensive sources of energy. The Group is well placed to take advantage of this over the foreseeable future.
- Geopolitical events in Ukraine have increased pressure on Governments to ensure energy security, possibly delaying the global transition to renewable energies in the short-term.
- Relatively high levels of inflation which may result in higher interest rates and potentially a slowdown in global economic activity.

ALDERLEY INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.4 Going concern (continued)

Going concern conclusion

Based on the information currently available and the scenarios examined, the Director believes that:

- The Group and the Company are forecast to have sufficient working capital and available banking facilities to meet its liabilities as they fall due, for a period of at least the next 12 months after signing of the accounts.
- The Group should be able to continue to source the funding it requires from existing lenders, given the strong and long-standing relationship with them, their history of support and the recent facilities renewal.
- There is no material uncertainty for going concern for the Company when considering that the Company had net current liabilities at the end of the reporting period.

2.5 Foreign currency translation

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of comprehensive income within 'finance income or cost'. All other foreign exchange gains and losses are presented in the Statement of comprehensive income within 'administrative expenses'.

Derivative contracts - forward contracts for foreign currency

The Company enters into forward contracts to buy and sell foreign currency. These derivatives are measured at fair value at each reporting date, and recognised as assets or liabilities, as applicable, in the Statement of financial position. Movements in the fair value of the instruments are taken to the Statement of comprehensive income.

ALDERLEY INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.6 Revenue recognition

Revenue is recognised to the extent that the Company obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, VAT and other sales taxes or duty. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on despatch of the goods.

Long term contracts

Revenue on long term contracts is recognised by reference to the stage of completion. The stage of completion of a contract is determined by reference to the proportion that contract costs incurred for work performed to date bear to the estimated total contract costs.

Amounts recoverable on contracts

Revenue recognised in advance of being invoiced is held on the Statement of financial position as amounts recoverable on contracts.

The stage of completion of a contract is determined by reference to contract costs incurred for work performed to date in proportion to the estimated total contract costs. An estimate of the profit attributable to work completed is recognised once the outcome of the contract can be assessed with reasonable certainty. The costs on long-term contracts not yet taken to the Statement of comprehensive income less related foreseeable losses and payments on account are shown in stocks and long-term contract balances. Costs included on long-term contracts include interest which is specifically attributable to those contracts through contract financing. Where payments are received from customers in advance of services provided the amounts are recorded as payments on account and included as part of creditors due within one year.

If a contract is assessed to be loss-making then the total estimated contract loss is provided for in full as soon as the loss is foreseen.

2.7 Government grants

Grants are accounted for under the accruals model as permitted by FRS 102. Grants of a revenue nature are recognised in "other operating income" within the Statement of comprehensive income in the same period as the related expenditure. This includes the Government Coronavirus Job Retention Scheme ('Furlough').

The Company has not directly benefited from any other forms of government assistance.

2.8 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on-a straight line basis over the period until the date the rent is expected to be adjusted to the prevailing market rate.

ALDERLEY INTERNATIONAL LIMITED**NOTES TO THE FINANCIAL STATEMENTS****YEAR ENDED 30 SEPTEMBER 2022**

2. Accounting policies (continued)**2.9 Pensions**

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

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

2.10 Interest income

Interest income is recognised in the Statement of comprehensive income using the effective interest method.

2.11 Current and deferred taxation

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

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

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

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

Deferred tax balances are not recognised in respect of permanent differences. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

2.12 Tangible fixed assets

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

ALDERLEY INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.12 Tangible fixed assets (continued)

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives.

Depreciation is provided on the following bases:

Plant and machinery	- 2% per month reducing balance
Fixtures and fittings	- 2% per month reducing balance
IT equipment	- 25% per annum straight line

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

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

2.13 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.14 Stocks

Stocks are stated at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

At each reporting date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in the Statement of comprehensive income.

2.15 Debtors

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

2.16 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.17 Financial instruments

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

ALDERLEY INTERNATIONAL LIMITED

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)**2.17 Financial instruments (continued)**

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in the case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the Statement of financial position date.

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company also enters into derivative financial instruments which are not basic financial instruments. Treatment of derivative financial instruments is discussed in note 2.5.

2.18 Creditors

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

ALDERLEY INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2022

2. Accounting policies (continued)

2.19 Provisions for liabilities

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the Statement of comprehensive income net of any reimbursement.

Onerous contract provisions ("OCPs") arise when the unavoidable costs of meeting contractual obligations exceed the remuneration expected to be received. The provision is calculated as the lower of the termination costs payable for an early exit and the expected net cost to fulfil the Company's unavoidable contract obligations.

Warranty provisions relate to outstanding warranty obligations relating to equipment sold in prior years. This value is expected to reduce over time as obligations expire.

2.20 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the Company but are presented separately due to their size or incidence.

3. EMPLOYEES

The average number of persons (including directors) employed by the company during the year was:

	2022 £	2021 £
Total	1	1
	1	1

4. CREDITORS: Amounts falling due within one year

	2022 £	2021 £
Amounts owed to group undertakings	-	346,235
	-	346,235

ALDERLEY INTERNATIONAL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 30 SEPTEMBER 2022

5. SHARE CAPITAL

Authorised share capital:

	2022	2021
	£	£
500 Ordinary shares of £1 each	500	500
	<u>500</u>	<u>500</u>

Allotted, called up and fully paid:

	2022	2021
	No	No
	£	£
Ordinary shares of £1 each	500	500
	<u>500</u>	<u>500</u>

6. ULTIMATE PARENT COMPANY

The Company's ultimate parent company is Alderley plc, and the company which heads the largest and smallest group of undertakings to which the results of the Company are consolidated is Alderley plc, a company incorporated in the United Kingdom and registered in England and Wales. Alderley plc prepares group financial statements and copies can be obtained from its registered office, Alderley House, Arnolds Field Estate, The Downs, Wickwar, Wotton-Under-Edge, Gloucestershire, GL12 8JD.

The ultimate controlling parties of the Company are P A Slatter, L M Rose, N J Scott-Bowden by virtue of their shareholding in Alderley plc.