

COMPANY REGISTRATION NUMBER: 3667231

Alucraft Systems Limited
Financial Statements
31 December 2018



Alucraft Systems Limited

Financial Statements

Year ended 31 December 2018

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Alucraft Systems Limited

Officers and Professional Advisers

The board of directors

Mr J McHugh
Mr A J Ducker
Mr D B Manning
Mr G D Koral
Mr A Williamson

Registered office

4 Ninian Park
Ninian Way
Tamworth
Staffordshire
B77 5ES

Auditor

Adams Moore Audit Limited
Accountants and Business Advisers & statutory auditor
38 - 39 Albert Road
Tamworth
Staffs
B79 7JS

Alucraft Systems Limited

Directors' Report

Year ended 31 December 2018

The directors present their report and the financial statements of the company for the year ended 31 December 2018.

Directors

The directors who served the company during the year were as follows:

Mr J McHugh	
Mr A J Ducker	(Appointed 19 July 2018)
Mr D B Manning	(Appointed 19 July 2018)
Mr G D Koral	(Appointed 19 July 2018)
Mr A Williamson	(Appointed 19 July 2018)
Mr R O'Sullivan	(Resigned 19 July 2018)

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- 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.

Auditor

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the company's auditor is unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Alucraft Systems Limited

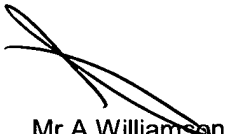
Directors' Report *(continued)*

Year ended 31 December 2018

Small company provisions

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption.

This report was approved by the board of directors on 5/8/2019 and signed on behalf of the board by:



Mr A Williamson
Director

Alucraft Systems Limited

Independent Auditor's Report to the Members of Alucraft Systems Limited

Year ended 31 December 2018

Opinion

We have audited the financial statements of Alucraft Systems Limited (the 'company') for the year ended 31 December 2018 which comprise the statement of income and retained earnings, statement of financial position and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2018 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Alucraft Systems Limited

Independent Auditor's Report to the Members of Alucraft Systems Limited (continued)

Year ended 31 December 2018

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. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

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 directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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 material misstatements in the directors' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the directors' report and from the requirement to prepare a strategic report.

Alucraft Systems Limited

Independent Auditor's Report to the Members of Alucraft Systems Limited

(continued)

Year ended 31 December 2018

Responsibilities of directors

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

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Alucraft Systems Limited

Independent Auditor's Report to the Members of Alucraft Systems Limited

(continued)

Year ended 31 December 2018

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.



Neil Lancaster, FCA (Senior Statutory Auditor)

For and on behalf of
Adams Moore Audit Limited
Accountants and Business Advisers & statutory auditor
38 - 39 Albert Road
Tamworth
Staffs
B79 7JS

5/8/2019

Alucraft Systems Limited

Statement of Income and Retained Earnings

Year ended 31 December 2018

	Note	2018 £	2017 £
Turnover		10,542,327	7,585,978
Cost of sales		8,673,261	6,054,651
Gross profit		1,869,066	1,531,327
Distribution costs		195	—
Administrative expenses		1,545,567	1,111,387
Other operating income		—	50,000
Operating profit		323,304	469,940
Interest payable and similar expenses		484	—
Profit before taxation	6	322,820	469,940
Tax on profit		41,373	(1,768)
Profit for the financial year and total comprehensive income		281,447	471,708
Retained earnings/(losses) at the start of the year		188,971	(282,737)
Retained earnings at the end of the year		470,418	188,971

All the activities of the company are from continuing operations.

The notes on pages 11 to 17 form part of these financial statements.

Alucraft Systems Limited

Statement of Financial Position

31 December 2018

	Note	2018 £	£	2017 £
Fixed assets				
Tangible assets	7		147,920	56,054
Current assets				
Stocks		2,216,617		1,879,253
Debtors	8	152,893		181,768
Cash at bank and in hand		532,615		12,372
		<u>2,902,125</u>		<u>2,073,393</u>
Creditors: amounts falling due within one year	9	<u>2,549,150</u>		<u>1,936,068</u>
Net current assets			<u>352,975</u>	<u>137,325</u>
Total assets less current liabilities			<u>500,895</u>	<u>193,379</u>
Creditors: amounts falling due after more than one year	10		14,500	—
Provisions				
Taxation including deferred tax			<u>15,877</u>	<u>4,308</u>
Net assets			<u><u>470,518</u></u>	<u><u>189,071</u></u>

The statement of financial position
continues on the following page.

The notes on pages 11 to 17 form part of these financial statements.

Alucraft Systems Limited

Statement of Financial Position *(continued)*

31 December 2018

	Note	2018 £	2017 £
Capital and reserves			
Called up share capital	12	100	100
Profit and loss account		<u>470,418</u>	<u>188,971</u>
Shareholders funds		<u>470,518</u>	<u>189,071</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

These financial statements were approved by the board of directors and authorised for issue on 5/12/2019, and are signed on behalf of the board by:


Mr A Williamson
Director

Company registration number: 3667231

The notes on pages 11 to 17 form part of these financial statements.

Alucraft Systems Limited

Notes to the Financial Statements

Year ended 31 December 2018

1. General information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is 4 Ninian Park, Ninian Way, Tamworth, Staffordshire, B77 5ES.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements are prepared in sterling, which is the functional currency of the entity.

Work in progress

Work in progress is measured on the cost plus basis based on budgeted figures for revenue and costs adjusted as necessary for actual work completed on site.

Going concern

The financial statements have been prepared on a going concern basis which assumes the company will continue in operational existence for the foreseeable future. If the company were unable to continue in operational existence for the foreseeable future, adjustments would have to be made to reduce the balance value of assets to their recoverable amounts, to provide for further liabilities which might arise and to reclassify fixed assets as current assets.

Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Revenue recognition

Turnover represents the total amount receivable by the company in the ordinary course of business for goods supplied and services rendered excluding value added tax, adjusted for work in progress.

Alucraft Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Income tax

The taxation expense represents the aggregate amount of current and deferred tax recognised in the reporting period. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, tax is recognised in other comprehensive income or directly in equity, respectively.

Current tax is recognised on taxable profit for the current and past periods. Current tax is measured at the amounts of tax expected to pay or recover using the tax rates and laws that have been enacted or substantively enacted at the reporting date.

Deferred tax is recognised in respect of all timing differences at the reporting date. Unrelieved tax losses and other deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the reporting date that are expected to apply to the reversal of the timing difference.

Foreign currencies

Foreign currency transactions are initially recorded in the functional currency, by applying the spot exchange rate as at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rate ruling at the reporting date, with any gains or losses being taken to the profit and loss account.

Operating leases

Lease payments are recognised as an expense over the lease term on a straight-line basis. The aggregate benefit of lease incentives is recognised as a reduction to expense over the lease term, on a straight-line basis.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses.

An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Alucraft Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Leasehold Property Improvements	-	10% straight line
Plant and Machinery	-	20% straight line
Fixtures and Fittings	-	15% reducing balance
Motor Vehicles	-	25% reducing balance
Office Equipment	-	15% reducing balance

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

For impairment testing of goodwill, the goodwill acquired in a business combination is, from the acquisition date, allocated to each of the cash-generating units that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the company are assigned to those units.

Stocks

Stocks are measured at the lower of cost and estimated selling price less costs to complete and sell. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the stock to its present location and condition.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset.

Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Alucraft Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

3. Accounting policies *(continued)*

Provisions

Provisions are recognised when the entity has an obligation at the reporting date as a result of a past event, it is probable that the entity will be required to transfer economic benefits in settlement and the amount of the obligation can be estimated reliably. Provisions are recognised as a liability in the statement of financial position and the amount of the provision as an expense.

Provisions are initially measured at the best estimate of the amount required to settle the obligation at the reporting date and subsequently reviewed at each reporting date and adjusted to reflect the current best estimate of the amount that would be required to settle the obligation. Any adjustments to the amounts previously recognised are recognised in profit or loss unless the provision was originally recognised as part of the cost of an asset. When a provision is measured at the present value of the amount expected to be required to settle the obligation, the unwinding of the discount is recognised as a finance cost in profit or loss in the period it arises.

Financial instruments

Financial instruments are classified and accounted for, according to the substance of the contractual arrangement, as either financial assets, financial liabilities or equity instruments. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

4. Auditor's remuneration

	2018	2017
	£	£
Fees payable for the audit of the financial statements	<u>4,500</u>	<u>4,000</u>

5. Employee numbers

The average number of persons employed by the company during the year amounted to 29 (2017: 23).

6. Profit before taxation

Profit before taxation is stated after charging:

	2018	2017
	£	£
Depreciation of tangible assets	<u>25,543</u>	<u>17,250</u>

Alucraft Systems Limited

Notes to the Financial Statements (continued)

Year ended 31 December 2018

7. Tangible assets

	Land and buildings £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Equipment £	Total £
Cost						
At 1 Jan 2018	29,782	69,955	34,049	64,390	–	198,176
Additions	5,000	23,285	48,026	42,143	17,887	136,341
Disposals	–	–	–	(45,390)	–	(45,390)
At 31 Dec 2018	<u>34,782</u>	<u>93,240</u>	<u>82,075</u>	<u>61,143</u>	<u>17,887</u>	<u>289,127</u>
Depreciation						
At 1 Jan 2018	29,782	54,784	20,114	37,442	–	142,122
Charge for the year	500	7,068	6,602	9,028	2,345	25,543
Disposals	–	–	–	(26,458)	–	(26,458)
At 31 Dec 2018	<u>30,282</u>	<u>61,852</u>	<u>26,716</u>	<u>20,012</u>	<u>2,345</u>	<u>141,207</u>
Carrying amount						
At 31 Dec 2018	<u>4,500</u>	<u>31,388</u>	<u>55,359</u>	<u>41,131</u>	<u>15,542</u>	<u>147,920</u>
At 31 Dec 2017	–	15,171	13,935	26,948	–	56,054

8. Debtors

	2018 £	2017 £
Trade debtors	91,717	89,698
Other debtors	61,176	92,070
	<u>152,893</u>	<u>181,768</u>

9. Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	2,093,651	1,471,293
Amounts owed to group undertakings and undertakings in which the company has a participating interest	(62,783)	301,040
Corporation tax	29,804	–
Social security and other taxes	282,354	25,773
Other creditors	3,638	1,364
Other creditors	202,486	136,598
	<u>2,549,150</u>	<u>1,936,068</u>

10. Creditors: amounts falling due after more than one year

	2018 £	2017 £
Other creditors	<u>14,500</u>	–

Alucraft Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

11. Financial instruments

The only financial instruments are debtors and creditors realisable within one year or payable on demand and a hire purchase contract which does extend beyond one year. These have all been included at cost and the hire purchase contract has not been discounted to net present value due to immateriality.

12. Called up share capital

Issued, called up and fully paid

	2018		2017	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100.00</u>	<u>100</u>	<u>100.00</u>

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2018	2017
	£	£
Later than 1 year and not later than 5 years	389,000	–
Later than 5 years	–	486,250
	<u>389,000</u>	<u>486,250</u>

14. Contingencies

On 19 July 2018 a debenture was taken out by the parent company and fellow subsidiaries in favour of The Governor and Company of the Bank of Ireland. The debenture encompasses a fixed charge over the interests in leasehold land and buildings, present and future ancillary rights and compensation rights, all rights and claims to which the company may become entitled, all present and future rights, title, interest and benefit in and to the plant and equipment, uncalled capital, other contracts, material contracts, goodwill, any pension fund, book debts and investments. The debenture also encompasses a first floating charge over stock in trade, inventory and raw materials together with the whole of the company's undertaking and property, assets and rights whatsoever and wheresoever both present and future but not otherwise effectively already charged.

On 19 July 2018 a further debenture was taken out by the company in favour of The Governor and Company of the Bank of Ireland encompassing a fixed charge over the company's bank accounts.

15. Directors' advances, credits and guarantees

During the year the directors entered into the following advances and credits with the company:

	Balance brought forward and outstanding	
	2018	2017
	£	£
Mr J McHugh	<u>–</u>	<u>200</u>

Alucraft Systems Limited

Notes to the Financial Statements *(continued)*

Year ended 31 December 2018

16. Related party transactions

The company is a subsidiary of Alucraft Group Holdings Limited, a company registered in Ireland. The registered office address of Alucraft Group Holdings Limited is Cloverhill Industrial Estate, Clondalkin, Dublin 22 Eire. Copies of the group accounts including the results of Alucraft Systems Limited can be obtained from the registered office address.

During the year the company incurred management charges of £110,424 from JHAW 1 Limited, a company registered in the UK and parent of Alucraft Group Holdings Limited. The registered office address of JHAW 1 Limited is 38 Hamilton Terrace, Leamington Spa, Warwickshire. CV32 4LY. The results of Alucraft Systems Limited will also be included in the group accounts of JHAW 1 Limited and copies of the group accounts can be obtained from the registered office address.

During the year the company charged management charges of £nil (2017 - £50,000) to one of its fellow subsidiaries. The balance owing from/(to) fellow subsidiary companies as at 31 December 2018 was £53,207 ((2017 - £301,040)).

17. Going concern

The continued operational existence of the company is dependant upon the continuing support of its parent company. The directors have confirmed this support will continue for the foreseeable future and that it is, therefore, appropriate for the financial statements to be prepared on a going concern basis.