

AEROSERVE (MSP) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2021

AEROSERVE (MSP) LIMITED

COMPANY INFORMATION

Directors	A D Holdcroft (resigned 4 February 2022) P S Purewall P Johnston (appointed 21 December 2021)
Registered number	04073987
Registered office	Synergy LMS Ascot Drive Derby DE24 8HE
Trading Address	159 Edinburgh Avenue Slough Berkshire SL1 4UE
Independent auditors	Grant Thornton UK LLP Statutory Auditor 17th Floor 103 Colmore Row Birmingham B3 3AG

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**STRATEGIC REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

Introduction

The Directors present their strategic report for the year ended 31 March 2021.

Business review

Aeroserve MSP Limited provides a range of linen management services to the hospitality and airline business sectors in the UK. Linen management is an essential service that is typically outsourced by hospitality providers. The range of our services drives value for our customers through efficient operations, excellent service and a focus on innovation which enables us to target our resources to our customers' needs.

The Covid 19 pandemic which began in early 2020 has had a significant impact on the economy and the airline and hospitality sectors serviced by Aeroserve (MSP) Limited. The impact on these sectors has resulted in a material loss of volumes during the year and a resulting downturn in financial performance. Turnover declined from £8,237k to £1,526k and the operating loss increased from £1,240k to £4,226k. As at 31 March 2021 the net liabilities of the company were £3,959k (2020: £154k).

Principal risks and uncertainties

The necessary governance framework has been developed to ensure sufficient review of key risks and the opportunity to regularly review the adequacy and effectiveness of our mitigating controls and strategies.

Risk Management supports the Company's vision to build a lasting reputation and its core values by:

- building and protecting the Company's reputation by championing a responsible approach to business;
- achieving brand and business resilience supported by effective risk management;
- developing the culture and capability across the Company to manage changing risks and opportunities; and
- ensuring the safety and well being of employees and others who could be affected by our business activities.

The Risk Management strategy enables and supports the Company to identify and manage its own risks. This is accomplished by embedding risk management and translating risk management into operational ownership, defining clear responsibilities and measuring risk management performance.

Financial Risk

The measures used by the Company to manage financial risk include the preparation of profit, balance sheet and cash flow forecasts, regular monitoring of actual performance against these forecasts and ensuring that adequate financing facilities are in place to meet the requirements of the business. The business, as part of Group, is required to demonstrate compliance with third party debt covenant test calculations on a quarterly basis. However, due to the impact of Covid 19, the covenants have been waived and replaced by a minimum liquidity test which is a 12 week rolling look forward of cash position within the Group. This new test is reviewed and discussed on at least a fortnightly basis with the Board and Banks.

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Company's receivables from customers. The Company has no significant concentration of credit risk. The amounts presented in the balance sheet are net of allowances for impairment. Management has credit policies in place to manage risk and to monitor exposure to risk on an ongoing basis. Given these policies are based on past experience, the Company believes that its financial assets are of good credit quality. Credit risk also arises from cash and cash equivalents and deposits with banks and financial institutions. For banks and financial institutions, only independently rated parties with minimum rating "A" are used.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Liquidity Risk

Liquidity risk arises from the Company's management of its working capital and the finance charges and principal repayments on its debt instruments. It is the risk that the Company will encounter difficulty in meeting its financial obligations as they fall due. The Company's policy is to ensure that it will always have sufficient cash to allow it to meet its financial obligations when they become due. To achieve this the Company's management makes use of rolling 30 day daily cash forecasts and 12 month rolling monthly forecasts. With continued Covid-19 and wider cost pressures facing the business, the Group has undertaken further financial restructurings post the year end with:

- £1.4m of additional cash injected by shareholders
- £2.1m of additional working capital facility made available by shareholders
- £2.6m of Term Loan amortisation payments being deferred until the end of the Term Loan facility.

In addition shareholders have agreed to support the Group with additional funding to support growth. The Group has also entered into fixed, or capped, rate mechanisms over some of its debt instruments and energy contracts so as to reduce its exposure to market rate volatility. The levels of hedging are regularly monitored and reviewed by the Board.

Revenue and Cost inflation risk

We face significant profit margin risk exposure through a level of mis matching in revenue and cost inflation drivers. The principal direct cost is labour which is driven by the National Living Wage and is mandated by Government directive. For the year ended 31 March 2021, this increased by 6.2%. A further increase of 6.6% will take effect from 1 April 2022 together with an increase in NI contributions of 1.25%. Post year end the business has also faced significant cost increases in gas, power and linen driven by the wider economic and geopolitical environment, compounded by the war in Ukraine. The Group is partly protected against price increases in utilities through hedging arrangements with its suppliers for a fixed period of time. Whilst there is indexation protection in our customer service contracts, this tends to follow indices such as CPI which do not fully reflect our proportionate costs to serve. We strive to maintain profit margin through investment in capital and process change projects. However, due to the quantum of cost increases, we continue to work with our

customers for incremental price increases across all our chosen markets.

Operational Risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel, technology and infrastructure, and from external factors other than credit and market risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. The governance framework supported by detailed operational procedures manages operational risks so as to balance the avoidance of financial loss and damage to reputation with overall cost effectiveness and to avoid control procedures that restrict initiative and creativity.

Development and performance

The Company has a robust record in retaining contracts at renewal and winning new business tender processes which it expects to continue.

The market sectors serviced have been hard hit by the pandemic and at their worst volumes reduced to 10% of pre-Covid levels in both the Airline and Hospitality sectors through FY21. The Hospitality sector has now largely recovered its volumes however, the Airline sector is not expected to achieve a full recovery to pre-Covid levels for at least another 12 months. The Company and Group remain committed to these sectors and the measures taken during 2021 should set the business up for a return to growth and profitability.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Financial key performance indicators

The Company's key financial performance indicators during the period were:

	2021	2020
	£'000	£'000
Turnover	1,526	8,237
Operating (loss)/profit	(4,226)	(1,240)
Operating (loss)/profit margin	(276.9%)	(15.1%)

Other key performance indicators

Maintaining health and safety standards is seen as a key issue by management. The Company continues to invest in the health and welfare of its employees, monitoring and reporting on all incidents to the Board.

Environmental factors are considered to be of the utmost importance. The Company continues to monitor and improve its environmental credentials.

Logistics efficiency and pollution control are key measures for the Company. Investment is being made in transport efficiencies to improve utilisation and energy consumption.

Directors' statement of compliance with duty to promote the success of the Company

The Linen Services industry remains competitive and is now facing unprecedented cost increases in labour, gas, power, linen and chemicals. The industry has reacted across all sectors by introducing exceptional prices increase to the customer base.

The Company has a robust record in retaining contracts at renewal and winning new business tender processes which it expects to continue during this period of difficulty.

The Directors confirm that they have regard to broader stakeholder interests when performing their duty under section 172 of the Companies Act 2006 and in doing so have regard to (amongst other matters):

- the likely consequence of any decision in the long term.
- the interests of employees.
- fostering of business relationships with suppliers, customers and others.
- the impact of operations on the community and the environment.
- maintaining a reputation for high standards of business conduct.
- acting fairly as between members of the Company.

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Going Concern

The Directors have reviewed consolidated trading and cash flow forecasts for the Star Mayan Group, of which the Company is a wholly owned subsidiary. The forecasts extend to the end of June 2023 and the Group's consideration of Going Concern is given in the consolidated financial statements of Star Mayan Limited. Star Mayan Limited, the Company's parent, has given a letter of support. The Going Concern assessment has been carried out on a Group basis.

The impact of the Covid-19 pandemic was first felt during the last two weeks of March 2020 and has continued to significantly impact the Company's financial and operational performance to date. The Company made a net operating loss of £4,226k for the year. The Company has experienced its worst trading volumes which reduced to 10% of pre-Covid levels in both the Airline and Hospitality sectors. Whilst both sectors have recovered to some degree, a full recovery to pre-Covid levels is not envisaged for at least another 12 months.

However, whilst the recovery from Covid-19 is in sight the Group, and the commercial laundry sector as a whole, is now facing exceptional cost increases.

Since the year end there have been unprecedented increases in both gas and power prices. Wholesale gas prices have increased by over 500% year-on-year and power prices by over 200%. Whilst the group has some protection through its hedging arrangements it is currently facing net increases of over 120% in gas and power costs. Future hedging arrangements are carefully considered and managed.

Due to exceptional increases in cotton prices and freight shipping prices, the Company's linen providers are having to pass on cost increases of c15%.

Whilst laundries require material investment in plant and equipment, there is also a need to maintain a significant volume of trained operatives to manage the flow of linen through the equipment. The cost of this labour base is driven by the National Living Wage which increased by 6.2% in FY 21 and is due to increase by a further 6.6% in FY 22.

As a result of these unexpected trading conditions and the resultant impact on the Group's liquidity, it has been necessary to work with financial stakeholders (investors and banks) to ensure the necessary funding facilities are available to support the working capital requirements of the business over the next 12 months whilst core markets recover through the implementation of exceptional price increases. To this end, the Group's banks have confirmed deferrals of certain principal repayments and shareholders have injected a further £5m since 31 March 2021.

In April 2023 debt repayments of £6.5m are due to be paid. Based on discussions with its Lenders, and based on the expected financial condition at that point, the Group is confident that, if necessary, these repayments can be deferred or refinanced.

In light of these conditions, the Group has prepared detailed forecasts to the end of June 2023, drawing on external industry sector Covid-19 recovery forecasts as well as views from our customer base. The key recovery assumptions are that the airline sector recovers to 90% of pre-Covid levels by March 2023.

Additionally, the forecasts expect cost increases faced by the Group to be partially passed through to customers and indeed the Group is already having some success in this area. All customer groups have now been communicated with and invoices are being raised to cover the additional costs.

As remains common with many businesses, there exists material uncertainty as a consequence of Covid-19, exceptional cost increases and the actual trading experience and cashflows of the Group moving forwards may be materially different to those forecast. In particular, the timing and / or quantum of cash flows arising from the Group's core activities may differ from those expected and this may then impact on the Group's overall level of liquidity. The Directors have instigated a number of measures to mitigate these potential risks, including enhanced working capital oversight, effective cost control, exceptional price increases and strong foundations

STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

for sales growth.

The Directors have concluded that the combination of Covid-19 and other economic cost pressures on the market, and current borrowing repayment dates with amounts due in April 2023 represent a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the ordinary course of business. However, after making enquiries, considering the mitigation steps taken and the commitments made from its financial stakeholders, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the annual report and financial statements.

This report was approved by the board and signed on its behalf.

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P Johnston

Director

Date: 14 June 2022

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2021**

The Directors present their report and the audited financial statements for the year ended 31 March 2021.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic Report, 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 applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 '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 for the Company's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- 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 to 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.

Results and dividends

The loss for the year, after taxation, amounted to £3,805k (2020 - loss £1,171k).

No dividends for the year were approved or paid for the year ended 31 March 2021 (2020 - £Nil).

Directors

The Directors who served during the year were:

A D Holdcroft (resigned 4 February 2022)
P S Purewall

Political contributions

The Company does not make any political donations, though, through its membership of the Textile Service Association, does support the lobbying of the UK Government for the benefit of the industry.

Future developments

The Company has a robust record in retaining contracts at renewal and winning new business tender processes which it expects to continue during this period of difficulty.

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021**

Engagement with employees

Regular two-way communication with our employees is vital in ensuring that we all share in the common goals and values, foster innovation and delivery service excellence.

The Company has a number of systems in place that enable the Company to understand the opinions of our employees, including employee forums and works councils. The Company continues to communicate achievements, our daily challenges, insights into the different business units and access to thought leadership across the business.

Disabled employees

The Company gives full consideration to applications for employment from disabled persons where the candidate's particular aptitudes and abilities are consistent with adequately meeting the requirements of the job. Opportunities are available to disabled employees for training, career development and promotion.

Where existing employees become disabled, it is the Company's policy to provide continuing employment wherever practicable in the same, or an alternative, position and to provide appropriate training to achieve this aim.

Qualifying third party indemnity provisions

The Company has provided qualifying indemnity provisions in respect of the Board of Directors which were in force during the year and at the date of this report.

Directors' Liabilities

During the year, STAR Mayan Limited provided Directors and Officers insurance that covers all Group companies.

Matters covered in the Strategic Report

The matters required to be disclosed under SI (2008) 410 Sch 7 are contained within the Strategic Report in accordance with s14C (11) of the Companies Act 2006, this being future development, financial risk management, going concern and financial instruments used.

Disclosure of information to auditors

In the case of each Director at the time when this Directors' Report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware, and
- the Director has taken all the steps that ought to have been taken as a Director in order to be aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Post balance sheet events

There have been no significant events affecting the Company since the year end.

AEROSERVE (MSP) LIMITED

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 MARCH 2021

Indepedent Auditors

The auditors, Grant Thornton UK LLP, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

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P Johnston

Director

Date: 14 June 2022

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEROSERVE (MSP) LIMITED

Opinion

We have audited the financial statements of Aeroserve MSP Limited (the 'Company') for the year ended 31 March 2021, which comprise the Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity 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 Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2021 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' 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 United Kingdom, including the Financial Reporting Council'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.

Material uncertainty related to going concern

We draw attention to note 2.3 in the financial statements, which indicates that the directors have concluded that due to the combination of Covid-19 and other economic cost pressures on the market, and current borrowing repayment due dates, the company may not be able to continue as a going concern. As stated in note 2.3, these events or conditions, along with the other matters as set forth in note 2.3, indicate that a material uncertainty exists that may cast significant doubt on the company's ability to continue as going concern.

Our opinion is not modified in respect of this matter.

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEROSERVE (MSP) LIMITED (CONTINUED)

Our responsibilities

We are responsible for concluding 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 report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the company to cease to continue as a going concern.

The responsibilities of the directors with respect to going concern are described in the 'Responsibilities of directors for the financial statements' section of this report.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Strategic Report, other than the financial statements and our Auditors' Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion 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.

Matter on which we are required to report under the Companies Act 2006

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 strategic report or the directors' report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEROSERVE (MSP) LIMITED (CONTINUED)

Matters on which we are required to report by exception

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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement on page 6, 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.

Auditors' 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 Auditors' 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. This description forms part of our Auditors' Report.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEROSERVE (MSP) LIMITED (CONTINUED)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the company and the industry in which it operates. We determined that the most significant are those that relate to the financial reporting framework, being FRS 102 and the Companies Act 2006, and the relevant tax compliance regulations in the UK. In addition, we concluded that there are certain significant laws and regulations that may have effect on the determination of the amounts and disclosures in the financial statements, being those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practises.
- We obtained an understanding of how the company is complying with relevant legal and regulatory frameworks by making enquiries of management. We corroborated the results of our enquiries through our review of the minutes of the company's board meetings, and inspection of legal and regulatory correspondence.
- We assessed the susceptibility of financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it is considered there was a susceptibility of fraud. We also considered performance targets and their propensity to influence efforts made by management to manage earnings. We considered the programs and controls that the company has established to address risks identified, or that otherwise prevent, deter and detect fraud, and how senior management monitors those programs and controls. Where the risk was considered to be higher, we performed audit procedures to address each identified fraud risk.
- Our audit procedures involved journal entry testing, with a focus on journals indicating unusual transactions based on our understanding of the business and enquiries of management. In addition, we completed audit procedures to conclude on the compliance of disclosures in the Annual Report and Financial Statements with applicable financial reporting requirements.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
 - knowledge of the industry in which the company operates; and
 - understanding of the legal and regulatory requirements specific to the company.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AEROSERVE (MSP) LIMITED (CONTINUED)

- Relevant laws and regulations and potential fraud risks were communicated to all engagement team members. We remained alert to any indications of fraud or non-compliance with laws and regulations throughout the 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 Auditors' 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.

David Munton BSc(hons) FCA (Senior Statutory Auditor)

for and on behalf of

Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Birmingham

14 June 2022

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 MARCH 2021**

	Note	2021 £000	2020 £000
Turnover	4	1,526	8,237
Cost of sales		(5,115)	(6,971)
Gross (loss)/profit		(3,589)	1,266
Distribution costs		(1,445)	(1,074)
Administrative expenses		(608)	(1,432)
Other operating income	5	1,416	-
Operating loss	6	(4,226)	(1,240)
Interest payable and similar expenses	10	(42)	(61)
Loss before tax		(4,268)	(1,301)
Tax on loss	11	463	130
Loss for the financial year		(3,805)	(1,171)

There were no recognised gains and losses for 2021 or 2020 other than those included in the statement of comprehensive income.

There was no other comprehensive income for 2021 (2020:£000NIL).

The notes on pages 17 to 32 form part of these financial statements.

BALANCE SHEET
AS AT 31 MARCH 2021

	Note	2021 £000	2020 £000
Fixed assets			
Tangible assets	12	3,768	5,146
Current assets			
Stocks	13	161	167
Debtors	14	1,156	1,762
Cash at bank and in hand	15	22	263
		<u>1,339</u>	<u>2,192</u>
Creditors: amounts falling due within one year	16	(8,599)	(6,707)
Net current liabilities		<u>(7,260)</u>	<u>(4,515)</u>
Total assets less current liabilities		<u>(3,492)</u>	<u>631</u>
Creditors: amounts falling due after more than one year	17	(467)	(684)
Provisions for liabilities			
Deferred tax	19	-	(101)
		<u>-</u>	<u>(101)</u>
Net liabilities		<u><u>(3,959)</u></u>	<u><u>(154)</u></u>
Capital and reserves			
Called up share capital	20	1	1
Profit and loss account		(3,960)	(155)
		<u><u>(3,959)</u></u>	<u><u>(154)</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf by:

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P Johnston
Director

Date: 14 June 2022

The notes on pages 17 to 32 form part of these financial statements.

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2021**

	Called up share capital £000	Profit and loss account £000	Total equity £000
At 1 April 2019	1	1,016	1,017
Comprehensive expense for the period			
Loss for the year	-	(1,171)	(1,171)
Total comprehensive expense for the period	-	(1,171)	(1,171)
At 1 April 2020	1	(155)	(154)
Comprehensive expense for the year			
Loss for the year	-	(3,805)	(3,805)
Total comprehensive expense for the year	-	(3,805)	(3,805)
At 31 March 2021	1	(3,960)	(3,959)

The notes on pages 17 to 32 form part of these financial statements.

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

1. General information

Aeroserve (MSP) Limited is a private Company, limited by shares, and registered in England and Wales. The Company's registered number and registered office address can be found 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.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The financial statements are presented in sterling which is the functional currency of the company and rounded to the nearest £1,000.

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;
- the requirements of Section 33 Related Party Disclosures paragraph 33.7.

This information is included in the consolidated financial statements of Star Mayan Limited as at 31 March 2021 and these financial statements may be obtained from Synergy LMS, Ascot Drive, Derby, DE24 8HE.

2.3 Going concern

The Directors have reviewed consolidated trading and cash flow forecasts for the Star Mayan Group, of which the Company is a wholly owned subsidiary. The forecasts extend to the end of June 2023 and the Group's consideration of Going Concern is given in the consolidated financial statements of Star Mayan Limited. Star Mayan Limited, the Company's parent, has given a letter of support. The Going Concern assessment has been carried out on a Group basis. The impact of the Covid-19 pandemic was first felt during the last two weeks of March 2020 and has continued to significantly impact the Company's financial and operational performance to date. The Company made a net operating loss of £4,226k for the year.

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

2. Accounting policies (continued)

2.3 Going concern (continued)

The Company has experienced its worst trading volumes which reduced to 10% of pre-Covid levels in both the Airline and Hospitality sectors. Whilst both sectors have recovered to some degree, a full recovery to pre-Covid levels is not envisaged for at least another 12 months.

However, whilst the recovery from Covid-19 is in sight the Group, and the commercial laundry sector as a whole, is now facing exceptional cost increases.

Since the year end there have been unprecedented increases in both gas and power prices. Wholesale gas prices have increased by over 500% year-on-year and power prices by over 200%. Whilst the group has some protection through its hedging arrangements it is currently facing net increases of over 120% in gas and power costs. Future hedging arrangements are carefully considered and managed.

Due to exceptional increases in cotton prices and freight shipping prices, the Company's linen providers are having to pass on cost increases of c15%.

Whilst laundries require material investment in plant and equipment, there is also a need to maintain a significant volume of trained operatives to manage the flow of linen through the equipment. The cost of this labour base is driven by the National Living Wage which increased by 6.2% in FY 21 and is due to increase by a further 6.6% in FY 22.

As a result of these unexpected trading conditions and the resultant impact on the Group's liquidity, it has been necessary to work with financial stakeholders (investors and banks) to ensure the necessary funding facilities are available to support the working capital requirements of the business over the next 12 months whilst core markets recover through the implementation of exceptional price increases. To this end, the Group's banks have confirmed deferrals of certain principal repayments and shareholders have injected a further £5m since 31 March 2021.

In April 2023 debt repayments of £6.5m are due to be paid. Based on discussions with its Lenders, and based on the expected financial condition at that point, the Group is confident that, if necessary, these repayments can be deferred or refinanced.

In light of these conditions, the Group has prepared detailed forecasts to the end of June 2023, drawing on external industry sector Covid-19 recovery forecasts as well as views from our customer base. The key recovery assumptions are that the airline sector recovers to 90% of pre-Covid levels by March 2023. Additionally, the forecasts expect cost increases faced by the Group to be partially passed through to customers and indeed the Group is already having some success in this area. All customer groups have now been communicated with and invoices are being raised to cover the additional costs.

As remains common with many businesses, there exists material uncertainty as a consequence of Covid-19, exceptional cost increases and the actual trading experience and cashflows of the Group moving forwards may be materially different to those forecast. In particular, the timing and / or quantum of cash flows arising from the Group's core activities may differ from those expected and this may then impact on the Group's overall level of liquidity. The Directors have instigated a number of measures to mitigate these potential risks, including enhanced working capital oversight, effective cost control, exceptional price increases and strong foundations for sales growth.

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

2. Accounting policies (continued)

2.3 Going concern (continued)

The Directors have concluded that the combination of Covid-19 and other economic cost pressures on the market, and current borrowing repayment dates with amounts due in April 2023 represent a material uncertainty that may cast significant doubt on the company's ability to continue as a going concern and, therefore, that it may be unable to discharge its liabilities in the ordinary course of business. However, after making enquiries, considering the mitigation steps taken and the commitments made from its financial stakeholders, the Directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons they continue to adopt the going concern basis in preparing the annual report and financial statements..

2.4 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is Sterling.

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.

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

2. Accounting policies (continued)

2.5 Revenue

Revenue represents amounts receivable for goods and services derived from the provision of linen management services and ancillary products to the airline and hospitality sectors in the United Kingdom.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Sale of goods

Revenue from the sale of goods is recognised when all of the following conditions are satisfied:

- the Company has transferred the significant risks and rewards of ownership to the buyer;
- the Company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;
- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the transaction; and
- the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Rendering of services

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

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

2.6 Operating leases: the Company as lessee

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

Benefits received and receivable as an incentive to sign an operating lease are recognised on a straight-line basis over the lease term, unless another systematic basis is representative of the time pattern of the lessee's benefit from the use of the leased asset.

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

2. Accounting policies (continued)

2.7 Leased assets: the Company as lessee

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the company. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to profit or loss so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.8 Government grants

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

Grants of a revenue nature are recognised in the Statement of Comprehensive Income in the same period as the related expenditure.

Other operating income includes amounts receivable under the CJRS to reimburse the Company for the wages of certain employees who were furloughed during the period, but who remain on the Company's payroll.

2.9 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.10 Pensions

Defined contribution pension plan

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

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

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

2. Accounting policies (continued)

2.11 Current and deferred taxation

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

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

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

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

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

2.12 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.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Leasehold property	- Up to the period of the lease
Plant and machinery	- 5 to 6 years
Motor vehicles	- 5 to 6 years
Fixtures and fittings	- 5 to 6 years
Office equipment	- 5 to 6 years
Linen	- 3 years

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

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

2. Accounting policies (continued)

2.13 Stocks

Stocks are stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress and finished goods include labour and attributable overheads.

At each balance sheet date, stocks are assessed for impairment. If stock is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

2.14 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.

2.15 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.

2.16 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.

2.17 Provisions for liabilities

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

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

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

Where the unavoidable costs of a lease exceed the economic benefit expected to be received from it, a provision is made for the present value of the obligations under the lease.

2.18 Financial instruments

The Company only 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 related parties and investments in ordinary shares.

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

3. Judgements in applying accounting policies 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 for assets and liabilities as at the balance sheet date and the amounts reported for revenue and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The key judgement is in respect of assessing the useful economic life of linen, which is monitored by management and who deem 3 years to be a fair reflection of the asset life. This is consistent with prior years and underlying business performance.

4. Turnover

An analysis of turnover by class of business is as follows:

	2021 £000	2020 £000
Linen services	1,526	8,237
	<u>1,526</u>	<u>8,237</u>

All turnover arose within the United Kingdom.

5. Other operating income

	2021 £000	2020 £000
Government grants receivable	1,416	-
	<u>1,416</u>	<u>-</u>

Other operating income includes amounts receivable under the CJRS to reimburse the Company for the wages of certain employees who were furloughed during the period, but who remain on the Company's payroll.

6. Operating loss

The operating loss is stated after charging:

	2021 £000	2020 £000
Depreciation of Tangible Fixed Assets	1,835	1,762
Operating Lease Rentals	<u>557</u>	<u>507</u>

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

7. Auditors' remuneration

	2021	2020
	£000	£000
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	<u>30</u>	<u>16</u>

The Company has taken advantage of the exemption not to disclose amounts paid for non audit services as these are disclosed in the group accounts of the parent Company.

8. Employees

Staff costs, including Directors' remuneration, were as follows:

	2021	2020
	£000	£000
Wages and salaries	2,774	4,124
Social security costs	167	363
Cost of defined contribution scheme	31	50
	<u>2,972</u>	<u>4,537</u>

The average monthly number of employees, including the Directors, during the year was as follows:

	2021	2020
	No.	No.
Administration	11	11
Processing and Production	110	150
	<u>121</u>	<u>161</u>

9. Directors' remuneration

	2021	2020
	£000	£000
Directors' emoluments	<u>160</u>	<u>100</u>

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

10. Interest payable and similar expenses

	2021 £000	2020 £000
Finance leases and hire purchase contracts	<u>42</u>	<u>61</u>

11. Taxation

	2021 £000	2020 £000
Corporation tax		
Adjustments in respect of previous periods	(59)	-
	<u>(59)</u>	<u>-</u>
Total current tax	<u>(59)</u>	<u>-</u>
Deferred tax		
Adjustments relating to prior year	-	12
Movements in current year	(404)	(142)
	<u>(404)</u>	<u>(130)</u>
Total deferred tax	<u>(404)</u>	<u>(130)</u>
Taxation on loss on ordinary activities	<u>(463)</u>	<u>(130)</u>

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

11. Taxation (continued)**Factors affecting tax credit for the year**

The tax assessed for the year is higher than (2020 - higher than) the standard rate of corporation tax in the UK of 19% (2020 - 19%). The differences are explained below:

	2021	2020
	£000	£000
Loss on ordinary activities before tax	<u>(4,268)</u>	<u>(1,301)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	(811)	(247)
Effects of:		
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	1	-
Capital allowances for year in excess of depreciation	175	144
Adjustments to tax credit in respect of prior periods	(59)	-
Short term timing difference leading to an increase (decrease) in taxation	(403)	(130)
Other timing differences leading to an increase (decrease) in taxation	11	-
Capitalised revenue expenditure	-	(1)
Unrelieved tax losses carried forward	288	-
Group relief	335	104
Total tax credit for the year	<u>(463)</u>	<u>(130)</u>

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that the corporation tax rate would remain at 19% until 2023. Following which, the rate of corporation tax will increase to 25% for profits over £250,000. This new law was substantively enacted on May 2021.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MARCH 2021**
12. Tangible fixed assets

	Leasehold property £000	Plant and machinery £000	Motor vehicles £000	Linen £000	Total £000
Cost or valuation					
At 1 April 2020	141	8,461	1,471	2,639	12,712
Additions	-	114	226	116	456
Disposals	-	-	(21)	-	(21)
At 31 March 2021	141	8,575	1,676	2,755	13,147
Depreciation					
At 1 April 2020	127	5,249	789	1,400	7,565
Charge for the year on owned assets	7	1,037	219	572	1,835
Disposals	-	-	(21)	-	(21)
At 31 March 2021	134	6,286	987	1,972	9,379
Net book value					
At 31 March 2021	7	2,289	689	783	3,768
At 31 March 2020	14	3,211	682	1,239	5,146

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2021 £000	2020 £000
Plant and machinery	-	836
Motor vehicles	-	620
	-	1,456

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

13. Stocks

	2021	2020
	£000	£000
Raw materials and consumables	161	167

14. Debtors

	2021	2020
	£000	£000
Deferred tax asset	303	-
	303	-
Due within one year		
Trade debtors	234	1,506
Amounts owed by group undertakings	17	24
Other debtors	602	17
Prepayments and accrued income	-	215
	1,156	1,762

Amounts owed by Group undertakings are interest free, unsecured, and repayable on demand.

15. Cash and cash equivalents

	2021	2020
	£000	£000
Cash at bank and in hand	22	263

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

16. Creditors: Amounts falling due within one year

	2021	2020
	£000	£000
Trade creditors	645	1,582
Amounts owed to group undertakings	6,992	3,850
Other taxation and social security	73	207
Obligations under finance lease and hire purchase contracts	503	503
Other creditors	6	48
Accruals and deferred income	380	517
	<u>8,599</u>	<u>6,707</u>

Amounts owed to Group undertakings are interest free, unsecured, and repayable on demand.
Obligations under finance leases are secured on the assets concerned.
Certain plant and machinery and motor vehicles are held under finance lease arrangements.
Finance lease liabilities are secured by the related assets held under finance leases.

17. Creditors: Amounts falling due after more than one year

	2021	2020
	£000	£000
Net obligations under finance leases and hire purchase contracts	<u>467</u>	<u>684</u>

18. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021	2020
	£000	£000
Within one year	503	503
Between 1-5 years	467	684
	<u>970</u>	<u>1,187</u>

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

19. Deferred taxation

	2021	2020
	£000	£000
At beginning of year	(101)	(231)
Credited to profit or loss	404	130
At end of year	303	(101)

The deferred tax liability is made up as follows:

	2021	2020
	£000	£000
Accelerated capital allowances	72	(101)
Tax losses carried forward	229	-
Short-term timing differences	2	-
	303	(101)

20. Share capital

	2021	2020
	£000	£000
Allotted, called up and fully paid		
1,000 (2020 - 1,000) Ordinary Shares of £1 each	1	1

21. Pension commitments

The Company operates a defined contribution pension scheme for its employees. The assets of the scheme are held separately from those of the Company in an independently administered fund. At the balance sheet date, unpaid contributions of £7,173 (2020: £2,214) were due to the fund. They are included in other creditors.

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

22. Commitments under operating leases

At 31 March 2021 the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	2021 £000	2020 £000
Not later than 1 year	381	381
Later than 1 year and not later than 5 years	1,398	1,470
Later than 5 years	385	694
	<u>2,164</u>	<u>2,545</u>

23. Related party transactions

In accordance with the accounting policy, the Company has taken advantage of the exemption not to disclose related party transactions with wholly owned subsidiaries within the STAR Mayan Group. The Directors are the key management personnel.

24. Post balance sheet events

Following the year end Star Mayan Limited Group's shareholder Star Capital injected £5m of shareholder loan notes as well as £1.4m of additional cash and £2.1m of additional working capital facility to provide additional liquidity. The Group's Lenders agreed to defer certain amortisations of the Term of Loan A. As part of these arrangements the Lenders agreed to waive the existing covenants under the Senior Financing Agreement until June 2023 with a new liquidity test applied.

25. Controlling party

The Company is a subsidiary of STAR Mayan Limited. The ultimate parent undertaking is STAR Strategic Assets III-A LP by virtue of it holding the majority of shares in STAR Mayan Limited.

The ultimate controlling party is STAR Capital Partnership LLP, the Manager of STAR Strategic Assets III-A LP.

At 31 March 2021, the largest and smallest Group in which results of the Company are consolidated is that of STAR Mayan Limited, incorporated in the United Kingdom. Copies of the consolidated financial statements of STAR Mayan Limited are available from the Registrar of Companies, Companies House, Crown Way, Cardiff, CF4 3UZ.

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