

Registered number: 06599124

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2019



GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

COMPANY INFORMATION

Directors	G B N Cardozo MBE B M Collins N H Fothergill E M B Grylls S O'Brien J Tate
Company secretary	C McClean
Registered number	06599124
Registered office	10 Chaldicott Barns Tokes Lane Semley Shaftesbury Dorset SP7 9AW
Independent auditor	Nexia Smith & Williamson Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

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GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019**

The directors present their report and the financial statements for the year ended 31 December 2019.

Directors

The directors who served during the year were:

G B N Cardozo MBE
B M Collins
N H Fothergill
E M B Grylls
S O'Brien
J Tate (appointed 10 January 2019)

Disclosure of information to auditor

Each of the persons who are directors 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 auditor is 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 auditor is aware of that information.

Post balance sheet events

On the 14th February 2020 a share transfer resulted in a Group reconstruction. From this date Gilo Industries Group Limited ownership no longer represents a controlling interest in either Gilo Aerospace Technology Limited or Gilo Aerospace Limited.

Subsequent to the year end, a global pandemic, COVID-19 has emerged. The global response continues to evolve and the implications to the Company remain unclear. This has been referred to in note 2.2.

Auditor

The auditor, Nexia Smith & Williamson, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

Small companies' note

In preparing this report, the directors have taken advantage of the small companies' exemptions provided by section 415A of the Companies Act 2006.

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


G B N Cardozo (Jul 10, 2020 10:16 GMT+1)

G B N Cardozo MBE
Director

Date: 10/07/2020

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**DIRECTORS' RESPONSIBILITIES STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019**

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 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILO AEROSPACE LIMITED (FORMERLY
SKYBIKE INTERNATIONAL LTD)**

Opinion

We have audited the financial statements of Gilo Aerospace Limited (formerly Skybike International Ltd) (the 'Company') for the year ended 31 December 2019 which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor'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.

Material uncertainty relating to going concern

We draw attention to note 2.2 in the financial statements. On 11 March 2020, COVID-19 was declared a pandemic by the World Health Organisation. The directors have updated their cash flow forecasts for the Company and the Group and within the Group are considering, and where appropriate have taken advantage of, available UK government support. However, ultimately the impact of the COVID-19 pandemic on the business remains unquantifiable at this stage, particularly in relation to the timing of future cashflows, continued demand and employee availability. As stated in note 2.2, these events or conditions, along with the other matters as set forth in note 2.2, indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD) (CONTINUED)

Other information

The other information comprises the information included in the Directors' Report and financial statements, 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.

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 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 where the Companies Act 2006 requires us to report to you if, in our opinion:

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

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD) (CONTINUED)

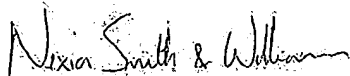
Auditor's responsibilities for the audit of the financial statements

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.

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 auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Edmonds (Senior Statutory Auditor)

for and on behalf of

Nexia Smith & Williamson

Chartered Accountants
Statutory Auditor

4th Floor Cumberland House
15-17 Cumberland Place
Southampton
Hampshire
SO15 2BG

Date: 11/07/2020

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 31 DECEMBER 2019**

	2019 £	2018 £
Turnover	2,418,687	928,757
Cost of sales	(802,474)	(431,031)
Gross profit	1,616,213	497,726
Administrative expenses	(955,705)	(604,724)
Operating profit/(loss)	660,508	(106,998)
Interest receivable and similar income	547	5,778
Profit/(loss) before tax	661,055	(101,220)
Tax on profit/(loss)	143,227	258,864
Profit after tax	804,282	157,644
Retained earnings at the beginning of the year	(2,328,838)	(2,486,482)
Profit for the year	804,282	157,644
Retained earnings at the end of the year	(1,524,556)	(2,328,838)


GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)
REGISTERED NUMBER:06599124

BALANCE SHEET
AS AT 31 DECEMBER 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	5	40,245	17,261
Current assets			
Stocks		-	112,933
Debtors: amounts falling due within one year	6	810,511	1,120,250
Bank and cash balances		1,075,767	475,280
		<u>1,886,278</u>	<u>1,708,463</u>
Creditors: amounts falling due within one year	7	(3,350,719)	(3,954,703)
Net current liabilities		<u>(1,464,441)</u>	<u>(2,246,240)</u>
Total assets less current liabilities		<u>(1,424,196)</u>	<u>(2,228,979)</u>
Provisions for liabilities			
Other provisions	8	(50,000)	(50,000)
		<u>(50,000)</u>	<u>(50,000)</u>
Net liabilities		<u><u>(1,474,196)</u></u>	<u><u>(2,278,979)</u></u>
Capital and reserves			
Called up share capital	9	50,360	49,859
Profit and loss account		(1,524,556)	(2,328,838)
Shareholders' deficit		<u><u>(1,474,196)</u></u>	<u><u>(2,278,979)</u></u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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


 G B N Cardozo (Jul 10, 2020 10:16 GMT+1)

G B N Cardozo MBE
 Director

Date: 10/07/2020

The notes on pages 8 to 15 form part of these financial statements.

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

1. General information

Gilo Aerospace Limited is a private company, limited by shares, domiciled and incorporated in England and Wales (registered number: 06599124). The registered office address is 10 Chaldicott Barns, Tokes Lane, Semley, Shaftesbury, Dorset, SP7 9AW.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The following principal accounting policies have been applied:

2.2 Going concern

Since the end of the financial year, the COVID-19 pandemic has had a significant impact on the business's outlook. At this stage, the full extent of the impact is unquantifiable, particularly around the timing of cash flows, demand from customers and the availability of staff to run the business.

The directors have concluded that the impact of COVID-19 represents a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. Therefore, the Company may be unable to realise its assets, discharge its liabilities in the normal course of business and/or continue to trade for at least twelve months from approving these financial statements.

The directors have updated their cash flow forecasts for the Company and the Group, taking advantage of UK government support and modelling the expected impact of COVID-19 on revenue and cash flows and have also received written support that the amount of £2,949,730 owed to the subsidiary company Gilo Aerospace Technologies Limited will not be repaid unless the Company has available funds. Therefore the directors believe that the Company will have adequate resources to continue in operational existence for the foreseeable future, which is considered to be at least twelve months from the date of approval of these financial statements. For these reasons, they continue to adopt the going concern basis of accounting in preparing the financial statements and therefore the financial statements do not include any adjustments that would result if the Group was unable to continue as a going concern.

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.3 Revenue

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.

2.4 Development costs

Expenditure on pure and applied research and development is charged to the Statement of Income and Retained Earnings in the year which it is incurred.

2.5 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

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

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

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

Foreign exchange gains and losses that relate to borrowings and cash and cash equivalents are presented in the Statement of Income and Retained Earnings within 'administrative expenses'. All other foreign exchange gains and losses are presented in the Statement of Income and Retained Earnings within 'other operating income'.

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.6 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to the Statement of Income and Retained Earnings 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.

2.7 Interest income

Interest income is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.8 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:

Plant and machinery	- 15 years straight-line
Fixtures and fittings and office equipment	- 4 years straight-line

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Income and Retained Earnings.

2.9 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 the Statement of Income and Retained Earnings.

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.10 Financial instruments

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

Trade and other debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. Debtors and creditors are subsequently measured at amortised cost using the effective interest rate method. A provision is established when there is objective evidence that the Company will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank, short-term bank deposits with an original maturity of three months or less and bank overdrafts which are an integral part of the Company's cash management.

Financial liabilities and equity instruments issued by the Company are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

2.11 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 the Statement of Income and Retained Earnings 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.

2.12 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, 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.

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

2. Accounting policies (continued)

2.13 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 the Statement of Income and Retained Earnings 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.

3. Judgements in applying accounting policies

In preparing these financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

Group debtor balances

Balances with other group companies are held at the lower of cost and net realisable value. The recoverability of these balances are a matter of judgement for the directors. Changes in performance of other group entities could have significant bearing on the ability of that entity to re-pay funds due. At the balance sheet date amounts owed from group companies totalled £166,872 (2018: £272,940), no provision has been included against this debt.

Stock valuation

Stock is stated at the lower of cost and net realisable value, as set out in the accounting policies. Provisions where appropriate are made to write down the value of stock to this amount. At the balance sheet date, no provision had been included.

4. Employees

The average monthly number of employees, including directors, during the year was 10 (2018: 5).

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

5. Tangible fixed assets

	Plant and machinery £	Fixtures & fittings and office equipment £	Total £
Cost			
At 1 January 2019	18,335	2,433	20,768
Additions	22,370	3,280	25,650
At 31 December 2019	<u>40,705</u>	<u>5,713</u>	<u>46,418</u>
Depreciation			
At 1 January 2019	2,478	1,029	3,507
Charge for the year	1,861	805	2,666
At 31 December 2019	<u>4,339</u>	<u>1,834</u>	<u>6,173</u>
Net book value			
At 31 December 2019	<u>36,366</u>	<u>3,879</u>	<u>40,245</u>
At 31 December 2018	<u>15,857</u>	<u>1,404</u>	<u>17,261</u>

6. Debtors

	2019 £	2018 £
Trade debtors	422,047	441,904
Amounts owed by group undertakings	166,872	272,940
Other debtors	64,818	88,498
Prepayments and accrued income	13,547	12,315
Corporation tax recoverable	143,227	304,593
	<u>810,511</u>	<u>1,120,250</u>

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

7. Creditors: Amounts falling due within one year

	2019 £	2018 £
Trade creditors	26,154	175,802
Amounts owed to group undertakings	3,193,195	3,604,438
Other taxation and social security	11,043	11,990
Other creditors	87,460	74,248
Accruals and deferred income	32,867	88,225
	<u>3,350,719</u>	<u>3,954,703</u>

8. Provisions

	Dilapidation provision £
At 1 January 2019	50,000
At 31 December 2019	<u>50,000</u>

9. Share capital

	2019 £	2018 £
Allotted, called up and fully paid		
0 (2018: 49,859) Ordinary shares of £1.00 each	-	49,859
5,035,961 Ordinary shares of £0.01 each	50,360	-
	<u>50,360</u>	<u>49,859</u>

10. Pension commitments

The Company contributes to a defined contribution scheme on behalf of its employees. The assets of the scheme are held separately from those of the Company in an independently administered scheme. During the year contributions payable amounted to £37,365 (2018: £2,689). A balance of £2,802 (2018: £590) was outstanding at the year end.

GILO AEROSPACE LIMITED (FORMERLY SKYBIKE INTERNATIONAL LTD)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2019**

11. Commitments under operating leases

At 31 December 2019 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2019 £	2018 £
Not later than 1 year	50,000	50,000
Later than 1 year and not later than 5 years	200,000	200,000
Later than 5 years	120,833	170,833
	<u>370,833</u>	<u>420,833</u>

12. Related party transactions

The Company has taken advantage of the exemption in FRS 102 Section 33.1A to not disclose transactions with wholly owned group companies.

The Company had an interest free loan from a director loan during the year. The balance owed to the director and included in creditors at the year end was £73,658 (2018: £73,658).

13. Post balance sheet events

On the 14th February 2020 a share transfer resulted in a Group reconstruction. From this date Gilo Industries Group Limited ownership no longer represents a controlling interest in either Gilo Aerospace Technology Limited or Gilo Aerospace Limited.

Subsequent to the year end, a global pandemic, COVID-19 has emerged. The global response continues to evolve and the implications to the Company remain unclear. This has been referred to in note 2.2.

14. Controlling party

During the year the immediate and ultimate parent undertaking is Gilo Industries Group Limited, a company registered in England and Wales.

The largest and smallest group of undertakings for which group accounts for the year ending 31 December 2019 have been drawn up, is that headed by Gilo Industries Group Limited. Copies of the group accounts are available from Companies House.

The directors do not consider there to be an ultimate controlling party.