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**CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED)**

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**DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2020**

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**CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED)**

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**COMPANY INFORMATION**

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<b>Directors</b>	B M Collins S O'Brien J Tate
<b>Company secretary</b>	C McClean
<b>Registered number</b>	06599124
<b>Registered office</b>	C1/C2 Southgate Commerce Park Frome England BA11 2RY
<b>Independent auditor</b>	CLA Evelyn Partners Limited Chartered Accountants & Statutory Auditor 4th Floor Cumberland House 15-17 Cumberland Place Southampton Hampshire SO15 2BG

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**CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED)**

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**DIRECTORS' REPORT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The directors present their report and the financial statements for the year ended 31 December 2020.

**Directors**

The directors who served during the year were:

G B N Cardozo MBE (resigned 12 July 2021)  
B M Collins  
N H Fothergill (resigned 30 April 2021)  
E M B Grylls (resigned 15 May 2021)  
S O'Brien  
J Tate

**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**

During September 2022 the Company received more than £0.6m of capital contributions which it has transferred to its subsidiary to maintain current operations. Total cash commitments of £0.7m plus a further £0.3m of group creditor balances will be converted into equity by the Company as soon as is practically possible. Formal issuance of the £1m equity is expected to follow in Q4 2022.

**Auditor**

The auditor, CLA Evelyn Partners Limited, 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.

**B M Collins**  
Director

Date: 5 October 2022

**DIRECTORS' RESPONSIBILITIES STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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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.



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## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED)

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### Opinion

We have audited the financial statements of Certo Aerospace Limited (Formerly Gilo Aerospace Limited) (the 'Company') for the year ended 31 December 2020 which comprise the Statement of Income and

Retained Earnings, the Balance Sheet and the notes to the financial statements, including 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 2020 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 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 related to going concern

**We draw attention to note 2.2 in the financial statements. Whilst the directors have prepared cash flow projections to support the adoption of the going concern basis, the Company nor its subsidiary has yet to secure the contracts required to generate a significant proportion of expected future revenue and therefore the subsequent cash inflows. Whilst the directors are confident that such contracts will be secured, the ability to do so, the scale and the timing of this is uncertain.**

**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.**

**Notwithstanding the above, 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.**

**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 CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED) (CONTINUED)

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**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 contained within the Directors' Report and Financial Statements.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and from the requirement to prepare a Strategic 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 CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED) (CONTINUED)

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**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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained a general understanding of the Company's legal and regulatory framework through enquiry of management concerning: their understanding of relevant laws and regulations; the entity's policies and procedures regarding compliance; and how they identify, evaluate and account for litigation claims. We also drew on our existing understanding of the Company's industry and regulation.

We understand that the Company complies with the framework through:

Outsourcing accounts preparation and tax compliance to external experts.

Subscribing to relevant updates from external experts, and making changes to internal procedures and controls as necessary.

In the context of the audit, we considered those laws and regulations: which determine the form and content of the financial statements; which are central to the Company's ability to conduct its business; and where failure to comply could result in material penalties. We identified the following laws and regulations as being of significance in the context of the Company:

The Companies Act 2006 and FRS 102 in respect of the preparation and presentation of the financial

statements.

The senior statutory auditor led a discussion with senior members of the engagement team regarding the susceptibility of the entity's financial statements to material misstatement, including how fraud might occur.

The areas identified in this discussion were:

Manipulation of the financial statements via fraudulent journal entries, particularly as the size of the Company means that there is little opportunity for segregation of duties.

These areas were communicated to the other members of the engagement team not present at the discussion.

The procedures we carried out to gain evidence in the above areas included:

Testing journal entries, focusing particularly on postings to unexpected or unusual accounts and those

posted at unusual times.

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



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**CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED)**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED) (CONTINUED)**

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**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  
**CLA Evelyn Partners Limited**

Chartered Accountants  
Statutory Auditor

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

5 October 2022

**CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED)**

**STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>2020</b>	<i>2019</i>
	<b>£</b>	<b>£</b>
Turnover	-	2,418,687
Cost of sales	-	(802,474)
<b>Gross profit</b>	<b>-</b>	<b>1,616,213</b>
Administrative expenses	(18,711)	(955,705)
<b>Operating (loss)/profit</b>	<b>(18,711)</b>	<b>660,508</b>
Interest receivable and similar income	-	547
<b>(Loss)/profit before tax</b>	<b>(18,711)</b>	<b>661,055</b>
Tax on (loss)/profit	-	143,227
<b>(Loss)/profit after tax</b>	<b>(18,711)</b>	<b>804,282</b>
Retained earnings at the beginning of the year	(1,524,556)	(2,328,838)
(Loss)/profit for the year	(18,711)	804,282
<b>Retained earnings at the end of the year</b>	<b>(1,543,267)</b>	<b>(1,524,556)</b>

**CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED)**  
**REGISTERED NUMBER:06599124**

**BALANCE SHEET**  
**AS AT 31 DECEMBER 2020**

	Note	2020 £	2019 £
<b>Fixed assets</b>			
Intangible assets	4	67,371	-
Tangible assets	5	-	40,245
Investments		499	-
		<u>67,870</u>	<u>40,245</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	7	2,663	810,511
Bank and cash balances		499	1,075,767
		<u>3,162</u>	<u>1,886,278</u>
Creditors: amounts falling due within one year	8	(1,563,939)	(3,350,719)
<b>Net current liabilities</b>		<u>(1,560,777)</u>	<u>(1,464,441)</u>
<b>Total assets less current liabilities</b>		<u>(1,492,907)</u>	<u>(1,424,196)</u>
<b>Provisions for liabilities</b>			
Other provisions	9	-	(50,000)
<b>Net liabilities</b>		<u><u>(1,492,907)</u></u>	<u><u>(1,474,196)</u></u>
<b>Capital and reserves</b>			
Called up share capital		50,360	50,360
Retained earnings		(1,543,267)	(1,524,556)
<b>Shareholders' deficit</b>		<u><u>(1,492,907)</u></u>	<u><u>(1,474,196)</u></u>

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**CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED)**  
**REGISTERED NUMBER:06599124**

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**BALANCE SHEET (CONTINUED)**  
**AS AT 31 DECEMBER 2020**

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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:

**B M Collins**  
Director

Date: 5 October 2022

The notes on pages 10 to 19 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. General information**

Certo Aerospace Limited (Formerly 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 C1/C2 Southgate Commerce Park, Frome, England, BA11 2RY.

On the 14th February 2020 a share transfer concluded a Group reconstruction. From this date Gilo Industries Group Limited ownership no longer represents a controlling interest in either Certo Aerospace Technologies Limited (Formerly Gilo Aerospace Technologies Limited) or Certo Aerospace Limited (Formerly Gilo Aerospace Limited).

Furthermore, on the 1 January 2020 a business transfer took place between Certo Aerospace Limited (Formerly Gilo Aerospace Limited) and Certo Aerospace Technologies Limited (Formerly Gilo Aerospace Technologies Limited). The trade and assets of the companies were transposed with the intellectual property and trading activities transferring between the entities. The transfer was completed at cost. Following the business transfer Certo Aerospace Technologies Limited (Formerly Gilo Aerospace Technologies Limited) became a 100% owned subsidiary of Certo Aerospace Limited (Formerly Gilo Aerospace Limited).

**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:

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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2. Accounting policies (continued)

2.2 Going concern

The COVID-19 pandemic had a major effect on our business in 2020 and 2021 due to reduced availability of working hours on our technology development, damaged supply lines and the stultifying effect on our main customers' decision and contracting processes. With the passing of the pandemic and the lockdown system, this COVID issue is now abating. There is in effect a noticeable sense of the customers wanting to catch up for time lost; our main customers, US Department of Defense (US DoD) & UK Ministry of Defence (MOD) are now extremely active in their efforts to develop and procure automated Vertical Take Off and Landing (VTOL) Uncrewed Air Systems (UAS). This is driven by numerous factors including the rapid development of related technologies in aerospace and battlespace automation, cost reduction and a high-level mandate to reduce risk to life wherever possible.

***US DoD***

Certo has previously held a multi-year contract with US DoD (via a required SME contracting local firm called Survice Engineering Company) and still has the legal contract mechanism open for further funding which is expected in 2023. US DoD has several armed forces and commands which are actively pursuing the aims described above, including US Navy and US Marine Corps, CENTCOM and ArmyDev.

***UK MOD***

Certo has also been accepted (in Sept 2022) onto the MOD's UAV Heavy Lift Challenge (HLC) Framework. Certo has been invited to advance its technologies through various ongoing processes for funding consideration by the agency (DE&S). It is expected that in early 2023 a suitable competition and/or contract will be executed. HLC has been funded to £90m thus far. This is a five-year opportunity and likely to be extended.

***Summary***

These contracts with US DoD and MOD, though expected with good reason, cannot ever be considered as certainties until the many complex constituent processes of tendering, evaluation and contracting are successfully completed. The directors have concluded that certain assumptions behind the Company's cashflow forecasts, which depend on future contracts, include a material uncertainty that may cast significant doubt on the Company's ability to continue as a going concern. 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.

2.3 Exemption from preparing consolidated financial statements

The Company, and the group headed by it, qualify as small as set out in section 383 of the Companies Act 2006 and the parent and group are considered eligible for the exemption to prepare consolidated accounts.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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2. Accounting policies (continued)

2.4 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover 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 turnover is recognised:

**Sale of goods**

Turnover 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 turnover 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.

2.5 Development costs

Expenditure on pure and applied research and development is charged to profit or loss in the year which it is incurred.

2.6 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 profit or loss 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 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**2. Accounting policies (continued)**

**2.7 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.

**2.8 Interest income**

Interest income is recognised in profit or loss using the effective interest method.

**2.9 Intangible assets**

Patents are initially recognised at cost. After recognition, under the cost model, intangible assets are measured at cost less any accumulated amortisation and any accumulated impairment losses.

Amortisation is calculated to write off the cost of the patents in equal annual instalments over their useful life of 20 years.

**2.10 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.

The estimated useful lives range as follows:

Plant and machinery	- 15 years
Fixtures and fittings and office equipment	- 4 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.

**2.11 Valuation of investments**

Investments in subsidiaries are measured at cost less accumulated impairment.



NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

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**2. Accounting policies (continued)**

**2.12 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.

**2.13 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.

**2.14 Taxation**

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.

**3. Employees**

The average monthly number of employees, including directors, during the year was Nil (2019: 10).

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Intangible assets

	Patents £
<b>Cost</b>	
Additions	3,872
Intra-group transfer	100,771
At 31 December 2020	104,643
<b>Amortisation</b>	
Charge for the year	5,192
Intra-group transfer	32,080
At 31 December 2020	37,272
<b>Net book value</b>	
At 31 December 2020	67,371
<i>At 31 December 2019</i>	-

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020

5. Tangible fixed assets

	Plant and machinery £	Fixtures & fittings and office equipment £	Total £
<b>Cost</b>			
At 1 January 2020	40,705	5,713	46,418
Intra-group transfer	(40,705)	(5,713)	(46,418)
At 31 December 2020	-	-	-
At 1 January 2020	4,339	1,834	6,173
Intra-group transfer	(4,339)	(1,834)	(6,173)
At 31 December 2020	-	-	-
<b>Net book value</b>			
At 31 December 2020	-	-	-
<i>At 31 December 2019</i>	<i>36,366</i>	<i>3,879</i>	<i>40,245</i>

**CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**6. Fixed asset investments**

	<b>Investments in subsidiary companies £</b>
<b>Cost</b>	
Arising on business transfer	<b>499</b>
	<hr/>
At 31 December 2020	<b>499</b>
	<hr/>

**Subsidiary undertaking**

The following was a subsidiary undertaking of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Certo Aerospace Technologies Limited (Formerly Gilo Aerospace Technologies Limited)	C1/C2 Southgate Commerce Park, Frome, England, BA11 2RY.	Ordinary	100 %

**7. Debtors**

	<b>2020 £</b>	<b>2019 £</b>
Trade debtors	-	422,047
Amounts owed by group undertakings	-	166,872
Other debtors	755	64,818
Called up share capital not paid	<b>1,908</b>	-
Prepayments and accrued income	-	13,547
Corporation tax recoverable	-	143,227
	<hr/>	<hr/>
	<b>2,663</b>	<b>810,511</b>
	<hr/>	<hr/>

Certo companies ceased to be a part of the larger Gilo group structure when on 14th February 2020 Gilo Industries Group Limited became a minority shareholder of Certo Aerospace Limited. Gilo Industries Group Limited subsequently entered administration on 21st August 2020 where upon the former Gilo group dissolved. Balances owed by companies previously in the Gilo group were presented as Amounts owed by group undertakings in 2019, no balances are owed in 2020.

**CERTO AEROSPACE LIMITED (FORMERLY GILO AEROSPACE LIMITED)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. Creditors: Amounts falling due within one year**

	2020 £	2019 £
Trade creditors	-	26,154
Amounts owed to group undertakings	1,532,078	3,193,195
Other taxation and social security	-	11,043
Other creditors	24,737	87,460
Accruals and deferred income	7,124	32,867
	<u>1,563,939</u>	<u>3,350,719</u>

Certo companies ceased to be a part of the larger Gilo group structure when on 14th February 2020 Gilo Industries Group Limited became a minority shareholder of Certo Aerospace Limited. Gilo Industries Group Limited subsequently entered administration on 21st August 2020 where upon the former Gilo group dissolved. Balances owed to companies previously in the Gilo group were presented as Amounts owed to group undertakings in 2019, no balances are owed to Gilo group companies at year end 2020. The £1.5m shown as Amounts owed to group undertakings is owed to company subsidiary Certo Aerospace Technologies Limited.

**9. Provisions**

	Dilapidation provision £
At 1 January 2020	50,000
Intra-group transfer	(50,000)
<b>At 31 December 2020</b>	<u><u>-</u></u>

**10. Commitments under operating leases**

At 31 December 2020 the Company had future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	-	50,000
Later than 1 year and not later than 5 years	-	200,000
Later than 5 years	-	120,833
	<u>-</u>	<u>370,833</u>

NOTES TO THE FINANCIAL STATEMENTS  
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**11. Related party transactions**

The Company had two interest free loan from directors during the year. The balance owed to directors are included in Other Creditors and at the year-end were £20,851 (2019 - £73,658) and £3,886 (2019 - Nil) respectively.

**12. Post balance sheet events**

During September 2022 the Company received more than £0.6m of capital contributions which it has transferred to its subsidiary to maintain current operations. Total cash commitments of £0.7m plus a further £0.3m of group creditor balances will be converted into equity by the Company as soon as is practically possible. Formal issuance of the £1m equity is expected to follow in Q4 2022.

**13. Controlling party**

The ultimate parent undertaking at the start of the year was Gilo Industries Group Limited, a company which was registered in England and Wales. Gilo Industries Group Limited was reduced to a minority shareholder on 14th February 2020 where upon Certo Aerospace Limited & Certo Aerospace Technologies Limited both left the Gilo group. Gilo Industries Group Limited entered administration and the wider Gilo group was dissolved on 21st August 2020. The 49.999% of immediate parent Certo Aerospace Limited shares held by Gilo Industries Group Limited were purchased by existing shareholder Seamus O'Brien on 7th September 2022. The directors do not consider there to be an ultimate controlling party.

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