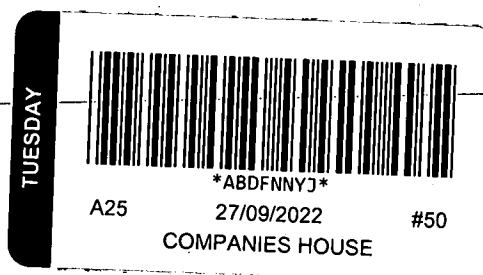


Registered number: 07543335

**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2021**



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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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**COMPANY INFORMATION**

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<b>Directors</b>	R W Colburn A Roberts S Hussey
<b>Company secretary</b>	M Hale
<b>Registered number</b>	07543335
<b>Registered office</b>	Parkway House Unit 6, Parkway Industrial Estate Pacific Avenue Wednesbury West Midlands WS10 7WP
<b>Independent auditor</b>	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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## COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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### DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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The directors present their report and the financial statements for the year ended 31 December 2021.

#### Directors' responsibilities statement

The directors are responsible for preparing the Group strategic report, the Directors' report and the consolidated 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 the Group and of the profit or loss of the Group for that period.

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

- select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgments 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 Group 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 the Group 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Results and dividends

The profit for the year, after taxation, amounted to £7,931,146 (2020 - £4,086,738).

The directors have not recommended a dividend (2020: £Nil).

#### Directors

The directors who served during the year were:

R W Colburn  
A Roberts  
S Hussey

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## COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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

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#### Financial risk management objectives and policies

The Group uses a variety of financial instruments including cash, borrowings, equity investments and various items, such as trade debtors and trade creditors, that arise directly from its operations. The main purpose of these financial instruments is to provide working capital for the Group's operations.

The directors are of the view that the main risks arising from the Group's financial instruments are liquidity risk, market risk and credit risk. The directors review and agree policies for managing each of these risks and they are summarised below. These policies remain unchanged from previous years.

#### Liquidity risk

The Group seeks to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs and to invest cash assets safely and profitably. Short-term flexibility is achieved through support from the parent company.

#### Market risk

The Group is exposed to transactional foreign exchange risk. Transactional exposures, including those associated with forecast transactions, are hedged when known, principally using forward currency contracts. Fluctuations in metal prices are reviewed on a regular basis and taken into consideration when placing purchase orders and setting the selling price of the Group's stock range.

#### Credit risk

The Group's principal financial assets are cash and trade debtors. The credit risk associated with the cash is limited as the counterparties have high credit ratings assigned by international credit-rating agencies. The principal credit risk arises therefore from its trade debtors.

In order to manage credit risk the directors set a policy of monitoring exposure with customers based on a combination of payment history and third party credit references. Exposure levels are reviewed by senior management on a regular basis.

#### Qualifying third party indemnity provisions

The Group has maintained directors' and officers' liability insurance in respect of its directors.

#### Energy and carbon emissions

The Group doesn't have the tools in place to accurately measure the data required to disclose a Statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR) in relation to Cobham Aluminium & Stainless Holdings Limited and Smiths Metal Centres Limited, the entities within the Group required to report under SECR. The Directors are considering their options in order to be able to comply with this requirement in future.

#### Matters covered in the Group Strategic Report

The business review, principal risks and uncertainties, financial key performance indicators and employee consultation are not included in the Directors Report as they are included in the Strategic Report as required under S414c of the Companies Act.

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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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

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**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 and the Group'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 and the Group's auditor is aware of that information.

**Auditor**

The auditor, Crowe U.K. 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.



**A Roberts**  
Director

Date: 4<sup>th</sup> July 2022

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## COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2021

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#### Introduction

The directors present their strategic report for the year ended 31 December 2021.

#### Business review and future developments

The profit for the year, after taxation, amounted to £7,931,146 (2020: £4,086,738). The directors have not recommended a dividend (2020: £Nil).

Various key performance indicators are used by the directors to monitor and compare the performance of the Group. They regard the following as the key financial and non-financial indicators of performance, all of which can be observed in the attached financial statements. The Group uses other performance indicators in the day to day operations but the directors consider these commercially sensitive and have therefore not disclosed these indicators.

Turnover increased to £112.0 million (2020: £87.4 million)  
Profit before tax increased to £10.0 million (2020: £5.2 million)  
Net assets increased to £44.8 million (2020: £36.9 million)  
Average number of employees decreased from 343 to 342

The directors of the Group are not satisfied with the results for the year. Whilst turnover and gross profit have increased compared to 2020, operating expenses have been subject to inflationary pressures. To provide a platform for sustainable growth and to negate the impact of the specific risks and uncertainties highlighted below, the Group will continue to implement operational efficiency improvements, thereby enhancing productivity and reducing operating expenses.

#### Principal risks and uncertainties

The principal risks and uncertainties of the Group are fluctuations in raw material prices, movements in exchange rates, continuing political instability, changes in government legislation, costs of complying with excessive and burdensome government regulation and the credit risk arising from trade debtors.

Whilst the Group takes action to mitigate the principal risks, where possible, there are specific risks and uncertainties outside of its control that could impact on the future financial performance of the Group. Specific examples of such risks relate to government imposed levies, which could result in a significant increase in the operating costs of the Group and a subsequent reduction in profitability and capital available for future reinvestment with no net benefit to the Group or the nation.

The Company seeks to manage foreign exchange risks through the judicious use of forward currency contracts and has a rigorous and effective system of controls in place to manage and mitigate the risks associated with trade debtors, as detailed in the directors' report on page 2.

The ultimate parent company is privately held, as is the Company, and the directors are of the opinion that the requirement to publish private accounts is a violation of both the spirit and law under United Kingdom right to privacy legislation.

#### Going concern

During the year ending 31 December 2021, the Group reported positive results. Therefore, the directors remain confident in the consolidated financial position, results of operations and cash flows of the Group.

The directors of the parent undertaking, Cobham Aluminium & Stainless Holdings Limited, having carefully considered all pertinent matters including the cash reserves of the Group, are satisfied that the Company and Group is a going concern and that sufficient funds are available for a period of at least twelve months from the date of signing these financial statements. The Group treasury function is available to the parent and all

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## COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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### GROUP STRATEGIC REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2021

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companies in the Group; the directors of this Group accordingly continue to prepare the financial statements on the going concern basis.

#### **Directors' statement Section of compliance with duty to promote the success of the Group (Section 172(1) statement)**

The directors act in good faith in making decisions from which the expected outcomes are considered to be most likely to promote the success of the Group for the benefit of its members in the long term. In performing their duties, the directors make a good faith assessment of the potential consequence on various stakeholders.

#### **Employees and the environment**

The directors are committed to promoting a safe working environment for its staff, protecting the wellbeing of all employees. The directors keep staff informed of key commercial, operational and personnel matters through structured internal communication channels. Training and development opportunities are provided where they are considered of benefit to the Group and its employees.

The Group has measures in place to monitor its impact on the local community and the environment and the directors maintain a policy of compliance towards all relevant regulatory environmental standards.

#### **Employee consultation and disabled employees**

Recruitment policies are designed to ensure equal opportunity of employment. Appropriate consideration is given to disabled applicants in offering employment.

Good communications and relations with employees are maintained, mainly by practices developed in each operating unit compatible with its own particular circumstances. Senior management are kept informed of Company developments of certain financial, commercial, strategic and personnel matters as needed, and are thereby enabled to inform and discuss with employees as appropriate at the individual operating units.

#### **Customers**

The directors commit considerable resources to servicing the needs of our customers to the highest possible standard with a view to building long term relationships.

#### **Suppliers**

A core value of the Group is a strict adherence to paying all suppliers within agreed terms.

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



**A Roberts**  
Director

Date: 4<sup>th</sup> July 2022



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## **COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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#### **Opinion**

We have audited the financial statements of Cobham Aluminium & Stainless Holdings Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2021, which comprise the Group Statement of income and retained earnings, the Group and Company Balance sheets, the Group Statement of cash flows 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 Group's and of the parent Company's affairs as at 31 December 2021 and of the Group's 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 Group 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.

#### **Conclusions relating to going concern**

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.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group's or the parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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## COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED (CONTINUED)

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#### Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's report thereon. The directors are responsible for the other information contained within the Annual Report. 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.

#### Qualified Opinion on other matters prescribed by the Companies Act 2006

Except for the matters set out in the basis for qualified opinion below, 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.

#### Basis for Qualified Opinion on other matters prescribed by the Companies Act 2006

As set out in page 2 of the Directors' report, the financial statements do not include the Statement of carbon emissions in compliance with the Streamlined Energy and Carbon Reporting disclosures required by company law as the Company does not have adequate records to capture this information.

#### 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 Strategic report or the Directors' report.

Except for the matter described above 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 by the parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent Company 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.

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## COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED (CONTINUED)

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#### Responsibilities of directors

As explained more fully in the Directors' responsibilities statement set out on page 1, 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 Group's and the parent 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 Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

#### Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Group 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 an understanding of the legal and regulatory frameworks within which the Company and Group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006. We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the Company and Group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the Company and Group for fraud. The laws and regulations we considered in this context for the UK operations were General Data Protection Regulation (GDPR), Anti-fraud, bribery and corruption legislation, Environmental protection legislation, Health and safety legislation, Taxation legislation and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the directors and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be in the following areas: income cut-off; the override of controls by management, including posting of unusual journals; inappropriate treatment of non-routine transactions and areas of estimation uncertainty; and manipulating the Company and Group's key performance indicators to meet management targets.

Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, review and discussion of non-routine transactions, sample testing on the posting of journals and income transactions and review of accounting estimates for biases.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our

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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED (CONTINUED)**

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audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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](http://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 member 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 member 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 member for our audit work, for this report, or for the opinions we have formed.



Dave Darlaston (Senior statutory auditor)

for and on behalf of  
**Crowe U.K. LLP**

Statutory Auditor

Black Country House  
Rounds Green Road  
Oldbury  
West Midlands  
B69 2DG

Date: 7 July 2012

**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Note	2021 £	2020 £
Turnover	4	111,979,617	87,435,515
Change in stocks of finished goods and work in progress		(3,012,876)	1,907,828
Other operating income	5	10,009	537,132
Raw materials and consumables		(68,258,627)	(58,991,234)
Other external charges		(10,421,041)	(8,545,746)
Staff costs	8	(18,451,871)	(15,553,426)
Depreciation and amortisation		(1,776,625)	(1,547,720)
<b>Operating profit</b>	6	<b>10,068,586</b>	<b>5,242,349</b>
Interest income		194	817
Interest expense and similar charges	10	(37,900)	(67,222)
<b>Profit before tax</b>		<b>10,030,880</b>	<b>5,175,944</b>
Tax on profit	11	(2,099,734)	(1,089,206)
<b>Profit after tax</b>		<b>7,931,146</b>	<b>4,086,738</b>
Retained earnings at the beginning of the year		31,407,978	27,321,240
Profit for the year attributable to the owners of the parent		7,931,146	4,086,738
<b>Retained earnings at the end of the year</b>		<b>39,339,124</b>	<b>31,407,978</b>

The notes on pages 16 to 31 form part of these financial statements.

**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**  
**REGISTERED NUMBER: 07543335**

**CONSOLIDATED BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Intangible assets	12	1,764,878	2,225,691
Tangible assets	13	5,473,628	5,654,245
		<u>7,238,506</u>	<u>7,879,936</u>
<b>Current assets</b>			
Stocks	15	24,821,130	22,526,462
Debtors: amounts falling due within one year	16	23,580,139	16,187,163
Cash at bank and in hand		25,088,347	17,911,532
		<u>73,489,616</u>	<u>56,625,157</u>
Creditors: amounts falling due within one year	17	(33,190,433)	(25,121,904)
<b>Net current assets</b>		<u>40,299,183</u>	<u>31,503,253</u>
<b>Total assets less current liabilities</b>		<u>47,537,689</u>	<u>39,383,189</u>
Creditors: amounts falling due after more than one year	18	(1,255,961)	(1,680,955)
Deferred taxation	20	(383,766)	-
Other provisions	21	(1,058,838)	(794,256)
<b>Total provisions</b>		<u>(1,442,604)</u>	<u>(794,256)</u>
<b>Net assets</b>		<u><u>44,839,124</u></u>	<u><u>36,907,978</u></u>
<b>Capital and reserves</b>			
Called up share capital	22	5,500,000	5,500,000
Profit and loss account		39,339,124	31,407,978
		<u><u>44,839,124</u></u>	<u><u>36,907,978</u></u>

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

  
**A Roberts**  
 Director

Date: 4<sup>th</sup> July 2022

The notes on pages 16 to 31 form part of these financial statements.

**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**  
**REGISTERED NUMBER: 07543335**

**COMPANY BALANCE SHEET**  
**AS AT 31 DECEMBER 2021**

	Note	2021 £	2020 £
<b>Fixed assets</b>			
Investments	14	14,765,366	14,649,544
		<u>14,765,366</u>	<u>14,649,544</u>
<b>Current assets</b>			
Debtors: amounts falling due within one year	16	-	31,945
Cash at bank and in hand		333,694	324,251
		<u>333,694</u>	<u>356,196</u>
Creditors: amounts falling due within one year	17	(3,964,910)	(3,871,630)
<b>Net current liabilities</b>		<u>(3,631,216)</u>	<u>(3,515,434)</u>
<b>Total assets less current liabilities</b>		<u>11,134,150</u>	<u>11,134,110</u>
<b>Net assets excluding pension asset</b>		<u>11,134,150</u>	<u>11,134,110</u>
<b>Net assets</b>		<u>11,134,150</u>	<u>11,134,110</u>
<b>Capital and reserves</b>			
Called up share capital	22	5,500,000	5,500,000
Profit and loss account		5,634,150	5,634,110
		<u>11,134,150</u>	<u>11,134,110</u>

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



**A Roberts**  
Director

Date: 4<sup>th</sup> July 2022

The notes on pages 16 to 31 form part of these financial statements.

**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

**CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2021**

	2021 £	2020 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	7,931,146	4,086,738
<b>Adjustments for:</b>		
Amortisation of intangible assets	576,635	445,137
Depreciation of tangible assets	1,294,990	1,102,583
Profit on disposal of tangible assets	(34,853)	(1,149)
Interest paid	37,900	67,222
Interest received	(194)	(817)
Taxation charge	2,099,734	1,089,206
(Increase)/decrease in stocks	(2,294,668)	1,816,990
(Increase)/decrease in debtors	(7,369,327)	4,562,409
Increase/(decrease) in creditors	8,299,975	(1,419,119)
Increase in provisions	264,582	5,127
Corporation tax (paid)	(2,434,342)	(1,302,469)
<b>Net cash generated from operating activities</b>	<b>8,371,578</b>	<b>10,451,858</b>
<b>Cash flows from investing activities</b>		
Purchase of tangible fixed assets	(1,141,868)	(2,782,496)
Sale of tangible fixed assets	62,348	51,687
Acquisition of subsidiary	(17,550)	(4,090,210)
Cash acquired with subsidiary	-	1,189,019
Interest received	194	817
HP interest paid	(37,900)	(67,222)
<b>Net cash from investing activities</b>	<b>(1,134,776)</b>	<b>(5,698,405)</b>
<b>Cash flows from financing activities</b>		
Repayment of finance leases	(59,987)	785,184
<b>Net cash used in financing activities</b>	<b>(59,987)</b>	<b>785,184</b>
<b>Net increase in cash and cash equivalents</b>	<b>7,176,815</b>	<b>5,538,637</b>



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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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**CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)**  
**FOR THE YEAR ENDED 31 DECEMBER 2021**

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	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
Cash and cash equivalents at beginning of year	<b>17,911,532</b>	<b>12,372,895</b>
<b>Cash and cash equivalents at the end of year:</b>	<b>25,088,347</b>	<b>17,911,532</b>
<b>Cash and cash equivalents at the end of year comprise:</b>		
Cash at bank and in hand	<b>25,088,347</b>	<b>17,911,532</b>
	<b>25,088,347</b>	<b>17,911,532</b>

The notes on pages 16 to 31 form part of these financial statements.

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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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**CONSOLIDATED ANALYSIS OF NET DEBT  
FOR THE YEAR ENDED 31 DECEMBER 2021**

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	At 1 January 2021 £	Cash flows £	At 31 December 2021 £
Cash at bank and in hand	17,911,532	7,176,815	25,088,347
Finance leases	(2,451,284)	7,893	(2,443,391)
	<u>15,460,248</u>	<u>7,184,708</u>	<u>22,644,956</u>

The notes on pages 16 to 31 form part of these financial statements.

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## COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 1. General information

The Company is a private company limited by shares and is incorporated and registered in England and Wales, registration number 07543335.

The registered office is Parkway House Unit 6, Parkway Industrial Estate, Pacific Avenue, Wednesbury, West Midlands, England, WS10 7WP.

The principal activity of the Group during the year was metal stockholding and the principal activity of this Company was to act as a holding company.

#### 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 Group management to exercise judgment in applying the Group's accounting policies (see note 3).

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of income and retained earnings in these financial statements.

The following principal accounting policies have been applied:

##### 2.2 Basis of consolidation

The consolidated financial statements present the results of the Company and its own subsidiaries ("the Group") as if they form a single entity. Intercompany transactions and balances between group companies are therefore eliminated in full.

##### 2.3 Going concern

During the year ending 31 December 2021, the Group reported positive results. Therefore, the directors remain confident in the consolidated financial position, results of operations and cash flows of the Group.

The directors have considered the net current liability position of the Company, which occurs as a result of the amounts owed to group undertakings, specifically wholly-owned subsidiaries, and are satisfied that these amounts should not be repaid in the 12 months from the date of signing.

The directors of the parent undertaking, Cobham Aluminium Supplies Limited, having carefully considered all pertinent matters including the cash reserves of the Group, are satisfied that the Company and Group is a going concern and that sufficient funds are available for a period of at least twelve months from the date of signing these financial statements. The Group treasury function is available to the parent and all companies in the Group; the directors of this Company accordingly continue to prepare the financial statements on the going concern basis.

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## COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.4 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.

##### 2.5 Turnover

Turnover shown in the income statement represents the total invoice value of goods and services supplied during the year, exclusive of Value Added Tax.

Turnover is recognised when the risks and rewards of ownership have been transferred after all of the following criteria are met:

- persuasive evidence of an arrangement exists;
- delivery had occurred or services have been rendered;
- the seller's price to the buyer is fixed and determinable; and
- collectability is reasonable assured.

Turnover is recognised prior to delivery of goods, where there is an underlying contract with the customer meeting the definition of a "bill and hold" arrangement. In these situations, turnover is recognised once the principle benefits and risks have passed to the customer; in particular that the goods are available and ready for delivery, and that payment has been received from the customer and therefore legal title of the stock has passed.

##### 2.6 Operating leases

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

##### 2.7 Government grants

Grants are accounted under the FRS 102 accrual model.

Grants of a revenue nature are recognised in the Consolidated statement of income and retained earnings in the same period as the related expenditure.

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

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**2. Accounting policies (continued)**

**2.8 Pensions**

The Group operates a defined contribution plan for its employees.

The contributions are recognised as an expense in the Consolidated statement of income and retained earnings when they fall due. Once the contributions have been paid the Group has no further payment obligations. The assets of the plan are held separately from the Group in independently administered funds.

**2.9 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 and the Group operate and generate income.

**2.10 Intangible assets**

**Goodwill**

Goodwill represents the difference between amounts paid on the cost of a business combination and the acquirer's interest in the fair value of the Group's share of its identifiable assets and liabilities of the acquiree at the date of acquisition. Subsequent to initial recognition, goodwill is measured at cost less accumulated amortisation and accumulated impairment losses. Goodwill is amortised on a straight-line basis to the Consolidated statement of income and retained earnings over its useful economic life.

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## COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.11 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:

Freehold property	- 2%
Long-term leasehold property	- over the term of the lease
Plant and machinery	- 9% to 33%
Motor vehicles	- 9% to 33%
Fixtures and fittings	- 9% to 33%
Computer equipment	- 9% to 33%

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.

##### 2.12 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

##### 2.13 Stocks

Stocks are stated at either the lower of cost or net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on an average cost basis.

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## COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2021

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#### 2. Accounting policies (continued)

##### 2.14 Financial instruments

The Group only enters into basic financial instruments 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 non-puttable ordinary shares.

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

##### Debtors

Short term debtors are measured at transaction price, less any impairment.

##### Creditors

Short term creditors are measured at transaction price.

##### Cash

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on the notice of not more than 24 hours.

##### 2.15 Property dilapidations

Under certain operating leases for land and buildings, the Group is obligated to make repairs of dilapidations to the leased property upon the expiry of the lease. The Group charges amounts to profit or loss so that, by the end of the lease, a total provision is accrued that is estimated to be equal to the future costs of those dilapidation obligations. Where repairs are made part way through the lease that will reduce the estimated costs of the dilapidation obligations at the expiry of the lease, the costs of those repairs are charged against the dilapidation provision.

#### 3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

##### 3.1 Critical judgements in applying the group's accounting policies

##### Stock

Management applies judgement in evaluation stock for obsolescence. This judgement is based on management knowledge of the stock over the long term and customer demand, as well as stock age. At each balance sheet date, stocks are assessed for impairment and either provided for or written down as appropriate.

##### 3.2 Key accounting estimates and assumptions

##### Dilapidation provisions

Provisions are made for dilapidations and contingencies. These provisions require management's best estimate of the costs that will be incurred based on legislative and contractual requirements. Dilapidation provisions have been estimated using historical costs and lease exit rates.

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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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

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**4. Turnover**

The whole of the turnover is attributable to the principal activity of the Company. A geographical analysis of turnover is as follows:

Analysis of turnover by country of destination:

	2021 £	2020 £
United Kingdom	96,139,893	74,156,075
Rest of Europe	11,246,428	10,276,645
Rest of the World	4,593,296	3,002,795
	<u>111,979,617</u>	<u>87,435,515</u>

**5. Other operating income**

	2021 £	2020 £
Government grants received	10,009	537,132
	<u>10,009</u>	<u>537,132</u>

**6. Operating profit**

The operating profit is stated after charging:

	2021 £	2020 £
Owned tangible fixed assets - depreciation	488,002	480,814
Financed tangible fixed assets - depreciation	711,988	621,769
Goodwill amortisation	576,635	445,137
Fixed asset impairment	95,000	-
Exchange differences	60,235	130,184
Operating lease rentals - plant and machinery	28,756	31,493
Operating lease rentals - land and buildings	1,788,053	1,501,867
	<u>1,788,053</u>	<u>1,501,867</u>



**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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

**7. Auditor's remuneration**

	2021 £	2020 £
Fees payable to the Group's auditor for the audit of the Group's annual financial statements	<u>46,500</u>	<u>43,400</u>
<b>Fees payable to the Group's auditor in respect of:</b>		
Taxation compliance services	5,325	5,150
All other services	3,900	3,825
	<u>9,225</u>	<u>8,975</u>

**8. Employees**

Staff costs, excluding directors' remuneration, were as follows:

	Group 2021 £	Group 2020 £
Wages and salaries	16,244,814	13,743,437
Social security costs	1,817,355	1,392,138
Cost of defined contribution scheme	389,702	417,851
	<u>18,451,871</u>	<u>15,553,426</u>

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

	2021 No.	2020 No.
Sales and distribution staff	<u>342</u>	<u>343</u>

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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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

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**9. Directors' remuneration**

	2021 £	2020 £
Directors' emoluments	26,371	19,756
Group contributions to defined contribution pension schemes	215	414
	<u>26,586</u>	<u>20,170</u>

During the year retirement benefits were accruing to 1 director (2020 - 1) in respect of a defined contribution pension scheme.

**10. Interest expense and similar charges**

	2021 £	2020 £
Bank interest payable	-	706
Finance leases and hire purchase contracts	37,900	66,516
	<u>37,900</u>	<u>67,222</u>

**11. Taxation**

	2021 £	2020 £
<b>Corporation tax</b>		
Current tax on profits for the year	1,692,532	1,104,585
Adjustments in respect of previous periods	(408)	9,453
<b>Total current tax</b>	<u>1,692,124</u>	<u>1,114,038</u>
<b>Deferred tax</b>		
Origination and reversal of timing differences	346,146	(22,647)
Changes to tax rates	61,464	(2,185)
<b>Total deferred tax</b>	<u>407,610</u>	<u>(24,832)</u>
<b>Taxation on profit</b>	<u>2,099,734</u>	<u>1,089,206</u>

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COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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

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11. Taxation (continued)

**Factors affecting tax charge 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 £
Profit before tax	10,030,880	5,175,944
Profit multiplied by standard rate of corporation tax in the UK of 19% (2020 - 19%)	1,905,867	983,429
<b>Effects of:</b>		
Expenses not deductible for tax purposes	125,537	101,286
Fixed asset timing differences	(23,366)	(2,981)
Adjustments to tax charge in respect of prior periods	(408)	9,481
Other timing differences leading to an increase (decrease) in taxation	92,104	(2,252)
Non-taxable income	-	88
Deferred tax not recognised	-	155
<b>Total tax charge for the year</b>	<b>2,099,734</b>	<b>1,089,206</b>

**Factors that may affect future tax charges**

In March 2021 the UK Government announced an increase in the UK Corporation Tax headline rate to 25% with effect from 1 April 2023.

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COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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

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12. Intangible assets

Group and Company

	Goodwill £
<b>Cost</b>	
At 1 January 2021	2,670,828
Additions	115,822
At 31 December 2021	<u>2,786,650</u>
<b>Amortisation</b>	
At 1 January 2021	445,137
Charge for the year on owned assets	576,635
At 31 December 2021	<u>1,021,772</u>
<b>Net book value</b>	
At 31 December 2021	<u>1,764,878</u>
At 31 December 2020	<u>2,225,691</u>

**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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

**13. Tangible fixed assets**

**Group**

	Land and buildings £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Computer equipment £	Total £
<b>Cost or valuation</b>						
At 1 January 2021	1,181,526	7,235,189	2,209,337	1,843,104	497,914	12,967,070
Additions	-	420,062	492,765	62,463	166,578	1,141,868
Disposals	(4,050)	(348,209)	(201,163)	(62,269)	(64,593)	(680,284)
At 31 December 2021	1,177,476	7,307,042	2,500,939	1,843,298	599,899	13,428,654
<b>Depreciation</b>						
At 1 January 2021	340,360	3,599,681	1,562,788	1,400,903	409,093	7,312,825
Charge for the year on owned assets	73,832	611,774	288,895	244,389	76,100	1,294,990
Disposals	(3,173)	(335,597)	(188,307)	(61,401)	(64,311)	(652,789)
At 31 December 2021	411,019	3,875,858	1,663,376	1,583,891	420,882	7,955,026
<b>Net book value</b>						
At 31 December 2021	766,457	3,431,184	837,563	259,407	179,017	5,473,628
At 31 December 2020	841,166	3,635,508	646,549	442,201	88,821	5,654,245

**Land and buildings**

Land and buildings include freehold property with a net book value of £328,296 (2020: £336,175) and long-term leasehold property with a net book value of £438,161 (2020: £504,991).

**Finance leases**

Included within the net book value of £5,473,628 is £3,527,180 (2020: £3,454,200) relating to assets held under finance leases. The depreciation charged to the financial statements in the year in respect of such assets amounted to £711,988 (2020: £621,769).

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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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

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**14. Fixed asset investments**

**Company**

	<b>Investments in subsidiary companies £</b>
<b>Cost or valuation</b>	
At 1 January 2021	14,649,544
Additions	115,822
At 31 December 2021	<u><u>14,765,366</u></u>

**Subsidiary undertakings**

The following were subsidiary undertakings of the Company:

<b>Name</b>	<b>Registered office</b>	<b>Class of shares</b>	<b>Holding</b>
Smiths Metal Centres Limited	2nd Floor of Council Office, Gernon Road, Letchworth Garden City, England, SG6 3JF.	Ordinary	100%
Express Metal Services Limited	Parkway House, Unit 6 Parkway Industrial Estate, Pacific Avenue, Wednesbury, West Midlands, WS10 7WP	Ordinary	100%

**15. Stocks**

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Goods held for resale	<u><u>24,821,130</u></u>	<u><u>22,526,462</u></u>

A provision of £6,356,254 (2020: £5,806,878) has been recognised against the stock balance due to slow moving and obsolete stock. The net increase of the provision of £549,376 (2020: increase of £2,236,883) has been recognised in the income statement.

**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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

**16. Debtors**

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade debtors	22,569,521	15,130,894	-	-
Other debtors	126,708	66,744	-	31,945
Prepayments and accrued income	883,910	965,681	-	-
Deferred taxation	-	23,844	-	-
	<u>23,580,139</u>	<u>16,187,163</u>	<u>-</u>	<u>31,945</u>

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

	Group 2021 £	Group 2020 £	Company 2021 £	Company 2020 £
Trade creditors	19,044,796	13,740,715	-	-
Amounts owed to group undertakings	3,188,630	3,188,630	3,188,630	3,193,630
Corporation tax	-	694,725	-	-
Other taxation and social security	1,716,721	1,614,992	-	-
Obligations under finance lease and hire purchase contracts	1,135,336	770,329	-	-
Other creditors	55,104	-	-	-
Accruals and deferred income	8,049,846	5,112,513	776,280	678,000
	<u>33,190,433</u>	<u>25,121,904</u>	<u>3,964,910</u>	<u>3,871,630</u>

The amounts owed to parent undertaking are unsecured and incur no interest charge. The balance is repayable on demand.

**18. Creditors: Amounts falling due after more than one year**

	Group 2021 £	Group 2020 £
Net obligations under finance leases and hire purchase contracts	<u>1,255,961</u>	<u>1,680,955</u>

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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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

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**19. Hire purchase and finance leases**

Minimum lease payments under hire purchase fall due as follows:

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Within one year	1,135,336	770,329
Between 1-5 years	1,255,961	1,680,955
	<u>2,391,297</u>	<u>2,451,284</u>

All amounts due under finance lease arrangements are secured on the assets to which they relate.

**20. Deferred taxation**

**Group**

	<b>2021 £</b>
At beginning of year	23,844
Charged in the year	(407,610)
<b>At end of year</b>	<u><b>(383,766)</b></u>

	<b>Group 2021 £</b>	<i>Group 2020 £</i>
Accelerated capital allowances	(405,042)	17,622
Short term timing differences	21,276	6,222
	<u>(383,766)</u>	<u>23,844</u>



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COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED

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

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21. Provisions

Group

	Dilapidation provision £
At 1 January 2021	794,256
Charged to profit or loss	264,582
At 31 December 2021	<u>1,058,838</u>

The dilapidation provision represents obligations under tenancy leases and is expected to be utilised over the remaining lease terms.

22. Share capital

	2021 £	2020 £
<b>Allotted, called up and fully paid</b>		
2,000,000 (2020 - 2,000,000) Ordinary shares shares of £1.00 each	2,000,000	2,000,000
3,500,000 (2020 - 3,500,000) Redeemable preference shares shares of £1.00 each	3,500,000	3,500,000
	<u>5,500,000</u>	<u>5,500,000</u>

Ordinary shares have full rights with regards to voting, participation and dividends.

The shares rank pari-passu with the exception that the redeemable preference shares have no dividend rights.

The redeemable preference shares can be redeemed at par at any time (at the option of the Company) having given not less than three months previous notice in writing. The notice in writing should state the particular shares to be redeemed, the date fixed for redemption and the time and place at which the certificates for such shares are to be presented for redemption. As such, in accordance with FRS 102 section 22 'Liabilities and Equity', these shares have been presented as equity.

23. Pension commitments

The Group's subsidiaries participate in a defined contribution pension scheme for the benefit of all enrolled UK employees. The amounts outstanding at the year end were £55,104 (2020: £808).

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**COBHAM ALUMINIUM & STAINLESS HOLDINGS LIMITED**

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

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**24. Commitments under operating leases**

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

	<b>Group 2021 £</b>	<b>Group 2020 £</b>
Not later than 1 year	<b>1,546,549</b>	<b>1,427,833</b>
Later than 1 year and not later than 5 years	<b>4,918,378</b>	<b>5,001,712</b>
Later than 5 years	<b>4,782,075</b>	<b>5,084,494</b>
	<b><u>11,247,002</u></b>	<b><u>11,514,039</u></b>

**25. Related party transactions**

Compensation paid to key management personnel is considered to relate to the directors' remuneration as disclosed within the notes to the financial statements.

**26. Ultimate parent undertaking and controlling party**

The ultimate parent company and controlling related party is Henley Management Company, a company registered in the USA.