

Registered number: 11554610

ADV Brightware Manufacturing Ltd.

Annual Report and Financial Statements

For the Year Ended 31 December 2021



ADV Brightware Manufacturing Ltd.

Company Information

Directors	R Lindoe M Pfunder
Registered number	11554610
Registered office	56 Bayton Road Bayton Road Industrial Estate Exhall Coventry CV7 9EL
Independent auditor	Grant Thornton UK LLP Chartered Accountants & Statutory Auditor 17th Floor 103 Colmore Row Birmingham West Midlands B3 3AG

ADV Brightware Manufacturing Ltd.

Contents

	Page
Strategic report	1 - 2
Directors' report	3 - 4
Independent auditor's report	5 - 9
Statement of comprehensive income	10
Statement of financial position	11
Statement of changes in equity	12
Notes to the financial statements	13 - 28

ADV Brightware Manufacturing Ltd.

**Strategic Report
For the Year Ended 31 December 2021**

Business review and future developments

ADV Brightware Manufacturing Ltd specialises in manufacturing and supplying exterior and interior components into the automotive industry whilst investing in development and prototyping projects which support its production facilities.

Turnover for the year was £13.2m (2020: £10.7m) and the Company generated a profit before tax of £93k (2020: £1.6m).

The owner and Directors of the Company are investing in appropriate research and development to secure new contracts, new customers and to reduce the Company's reliance upon the automotive sector. A significant diversification strategy is underway which is beginning to see results during 2021.

Principal risks and uncertainties / financial risk management

The majority of the Company's sales are contractual sales to premium automotive manufacturers. As such, the major uncertainty faced by the Company is the volume of cars sold annually by these major customers. This in turn is strongly related to the level of overall economic activity in world markets and the impact of Covid-19.

The Company faces a potential credit risk should one of its major customers go into liquidation. Due to the financial strength of the customers it is considered highly unlikely that this will happen.

The Company has a limited level of exposure to foreign currency risk. The majority of the Company's sales are in Sterling with less than 10% of the company's sales being in Euros or American dollars. The Company also purchases in these currencies and therefore has a natural hedge against some of this exposure. The Company monitors exchange rates to ensure any risk is adequately managed.

Development and performance

The main objective of the Company during the period was to stabilise operating performance post the national Covid-19 lockdown whilst restructuring the staff and manufacturing teams. The Company has developed a focused and successful approach to its manufacturing outputs combined with major quality systems audits to achieve certification to IATF 16949 and ISO 9001.

ADV Brightware Manufacturing Ltd.

**Strategic Report (continued)
For the Year Ended 31 December 2021**

Financial key performance indicators

The key performance indicators which the Company uses on a weekly and monthly basis are sales, net profit and headcount.

The Company's key financial and other performance indicators during the year were as follows:

- Revenue from ongoing operations in the period was £13,189,828 (2020: £10,743,200)
- Profit before tax was £93,224 (2020: £1,571,931)
- Net assets of £1,780,750 (2020: £1,687,526)

Operationally the business uses key performance indicators regarding weekly sales, on time in full delivery, quality performance and cash generation to manage the business. By performing successfully in these areas, the company will continue to generate profits.

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

Richard Lindoe

R Lindoe
Director

Date: 17 November 2022

ADV Brightware Manufacturing Ltd.

**Directors' Report
For the Year Ended 31 December 2021**

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

Principal activity

The principal activity of the Company in the period under review was that of the manufacture and sale of motor vehicle bodywork and components.

Results and dividends

The profit for the year, after taxation, amounted to £93,224 (2020: £1,571,931).

The directors did not recommend the payment of dividend in the year (2020: £Nil).

Directors

The directors who served during the year and subsequently were:

R Lindoe
M Pfunder

Directors' responsibilities statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law, including FRS 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 and profit or loss of the Company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

ADV Brightware Manufacturing Ltd.

**Directors' Report (continued)
For the Year Ended 31 December 2021**

Future developments

Future developments have been discussed in the Strategic Report.

Qualifying third party indemnity provisions

In accordance with section 236 of the Companies Act 2006, qualifying third-party indemnity provisions are in place for the directors who served during the year and subsequently in respect of liabilities incurred as a result of their office, to the extent permitted by law.

Going concern

In assessing the going concern assumption of the Company, the directors have prepared cash flow forecasts to December 2023 ("base case"), being a period of at least 12 months from the date of signing of these financial statements. In producing this forecast the Company has reviewed long term supply agreements with automotive OEM's. Under the base case and plausible downward scenarios, the Company is able to operate within financial resources which are expected to be available.

The performance of the past year, the order book for the forecasted period and the strong credit worthiness of the customers have given the Company a financially solid position. The Company also has strong net assets position £1,781k (2020: £1,687k). In the event there was a significant deterioration in the business the Company can take mitigating actions such as borrowings from financial institutions.

Considering the factors noted above the directors have a reasonable expectation that the Company has adequate resources to continue in operation existence for the 12 months from the time approving the financial statements. The going concern basis of accounting has therefore continued to be adopted in preparing the financial statements.

Disclosure of information to auditor

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

Auditor

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

This report was approved by the board on 17 November 2022 and signed on its behalf.

Richard Lindoe

R Lindoe
Director



Independent Auditor's Report to the Members of ADV Brightware Manufacturing Ltd.

Opinion

We have audited the financial statements of ADV Brightware Manufacturing Ltd. (the 'Company') for the year, which comprise the Statement of comprehensive income, the Statement of financial position, the Statement of changes in equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

We are responsible for concluding on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the auditor's opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Company to cease to continue as a going concern.

In our evaluation of the directors' conclusions, we considered the inherent risks associated with the Company's business model including effects arising from macro-economic uncertainties such as Brexit and Covid-19, we assessed and challenged the reasonableness of estimates made by the directors and the related disclosures and analysed how those risks might affect the Company's financial resources or ability to continue operations over the going concern period.



Independent Auditor's Report to the Members of ADV Brightware Manufacturing Ltd. (continued)

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 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.

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.

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

Other information

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

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

We have nothing to report in this regard.

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 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.



Independent Auditor's Report to the Members of ADV Brightware Manufacturing Ltd. (continued)

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

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

Matters on which we are required to report by exception

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

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

Responsibilities of directors for the financial statements

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditor's report.



Independent Auditor's Report to the Members of ADV Brightware Manufacturing Ltd. (continued)

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK).

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

- We obtained an understanding of the legal and regulatory frameworks applicable to the Company and determined that the most significant laws and regulations were Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. In addition, we concluded that there are certain significant laws and regulations that may have an effect on the determination of the amounts and disclosures in the financial statements, being those laws and regulations relating to health and safety, employee matters, environmental, and bribery and corruption practices.
- We enquired of management, whether they were aware of any instances of non-compliance with laws and regulations or whether they had any knowledge of actual, suspected or alleged fraud. We corroborated the results of our enquires to relevant supporting documentation.
- We assessed the susceptibility of the Company's financial statements to material misstatement, including how fraud might occur and the risk of management override of controls. Audit procedures performed by the engagement team included:
 - Identifying and assessing the design and implementation of controls management has in place to prevent and detect fraud;
 - Challenging assumptions and judgements made by management in its significant accounting estimates; and
 - Identifying and testing journal entries, in particular manual journal entries to revenue.
- These audit procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error and detecting irregularities that result from fraud is inherently more difficult than detecting those that result from error, as fraud may involve collusion, deliberate concealment, forgery or intentional misrepresentations. Also, the further removed non-compliance with laws and regulations is from events and transactions reflected in the financial statements, the less likely we would become aware of it.
- The engagement partner's assessment of the appropriateness of the collective competence and capabilities of the engagement team included consideration of the engagement team's:
 - understanding of, and practical experience with, audit engagements of a similar nature and complexity, through appropriate training and participation;
 - knowledge of the industry in which the client operates; and
 - understanding of the legal and regulatory requirements specific to the entity/regulator entity including the provisions of the applicable legislation, the regulators rules and related guidance, including guidance issued by relevant authorities that interprets those rules and the applicable statutory provisions.

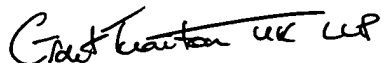


Independent Auditor's Report to the Members of ADV Brightware Manufacturing Ltd. (continued)

- Team communications in respect of potential non-compliance with laws and regulations and fraud included the potential for fraud in revenue recognition and management override of controls.

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.

A handwritten signature in black ink, appearing to read "John Coates UK LLP".

John Coates BSc BFP FCA
Senior Statutory Auditor
for and on behalf of Grant Thornton UK LLP
Statutory Auditor, Chartered Accountants
Birmingham

17 November 2022

ADV Brightware Manufacturing Ltd.

**Statement of Comprehensive Income
For the Year Ended 31 December 2021**

	Note	2021 £	2020 £
Turnover	4	13,189,828	10,743,200
Cost of sales		(8,614,641)	(7,775,904)
Gross profit		4,575,187	2,967,296
Administrative expenses		(4,450,107)	(6,648,761)
Other operating income	5	60,844	3,735,498
Operating profit	6	185,924	54,033
Interest receivable and similar income	10	3,201	9,592
Interest payable and similar charges	11	(95,901)	(87,446)
Other exceptional income	12	-	1,595,752
Profit before tax		93,224	1,571,931
Tax on profit	13	-	-
Profit for the financial year		93,224	1,571,931
Total comprehensive income for the year		93,224	1,571,931

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

All amounts were generated from continuing operations.

The notes on pages 13 to 28 form part of these financial statements.

ADV Brightware Manufacturing Ltd.
Registered number:11554610

Statement of Financial Position
As at 31 December 2021

	Note	2021 £	2020 £
Fixed assets			
Tangible assets	15	2,053,676	1,903,812
		<u>2,053,676</u>	<u>1,903,812</u>
Current assets			
Stocks	16	1,300,975	1,311,648
Debtors: amounts falling due within one year	17	713,639	786,331
Cash at bank and in hand	18	602,362	1,104,993
		<u>2,616,976</u>	<u>3,202,972</u>
Creditors: amounts falling due within one year	19	(2,126,769)	(3,055,713)
Net current assets		<u>490,207</u>	<u>147,259</u>
Total assets less current liabilities		<u>2,543,883</u>	<u>2,051,071</u>
Creditors: amounts falling due after more than one year	20	(598,133)	(213,545)
Provisions for liabilities			
Other provisions	22	(165,000)	(150,000)
		<u>(165,000)</u>	<u>(150,000)</u>
Net assets		<u><u>1,780,750</u></u>	<u><u>1,687,526</u></u>
Capital and reserves			
Called up share capital	23	1	1
Profit and loss account	24	1,780,749	1,687,525
Total shareholders' funds		<u><u>1,780,750</u></u>	<u><u>1,687,526</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 17 November 2022.

Richard Lindoe

R Lindoe
Director

The notes on pages 13 to 28 form part of these financial statements.

ADV Brightware Manufacturing Ltd.

**Statement of Changes in Equity
For the Year Ended 31 December 2021**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 1 January 2021	1	1,687,525	1,687,526
Comprehensive income for the year			
Profit for the year	-	93,224	93,224
Total comprehensive income for the year	-	93,224	93,224
At 31 December 2021	1	1,780,749	1,780,750

**Statement of Changes in Equity
For the Year Ended 31 December 2020**

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At incorporation	1	115,594	115,595
Comprehensive income for the year			
Profit for the year	-	1,571,931	1,571,931
Total comprehensive income for the year	-	1,571,931	1,571,931
At 31 December 2020	1	1,687,525	1,687,526

The notes on pages 13 to 28 form part of these financial statements.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

1. General information

ADV Brightware Manufacturing Ltd. is a private company limited by shares and incorporated in England and Wales. It's registered head office is located at 56 Bayton Road, Bayton Road Industrial Estate, Exhall, Coventry, United Kingdom, CV7 9EL.

2. Accounting policies**2.1 Basis of preparation of financial statements**

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The Company's immediate parent undertaking, Goldwater Holding Ltd, includes the Company in its consolidated financial statements. The consolidated financial statements of Goldwater Holding Ltd are prepared in accordance with FRS 102 and are available to the public and may be obtained from the company's registered address.

The Company has taken advantage of the following exemption in its individual financial statements:

- from preparing a statement of cash flows, on the basis that it is a qualifying entity and the consolidated statement of cash flows, included in the financial statements of the holding company, includes the Company's cash flows; and
- from disclosing the company key management personnel compensation, as required by FRS 102 paragraph 33.7.

2.2 Going concern

In assessing the going concern assumption of the Company, the directors have prepared cash flow forecasts to December 2023 ("base case"), being a period of at least 12 months from the date of signing of these financial statements. In producing this forecast the Company has reviewed long term supply agreements with automotive OEM's. Under the base case and plausible downward scenarios, the Company is able to operate within financial resources which are expected to be available.

The performance of the past year, the order book for the forecasted period and the strong credit worthiness of the customers have given the Company a financially solid position. The Company also has strong net assets position £1,781k (2020: £1,687k). In the event there was a significant deterioration in the business the Company can take mitigating actions such as borrowings from financial institutions.

Considering the factors noted above the directors have a reasonable expectation that the Company has adequate resources to continue in operation existence for the 12 months from the time approving the financial statements. The going concern basis of accounting has therefore continued to be adopted in preparing the financial statements.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)**2.3 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 comprehensive income within 'finance income or costs'. All other foreign exchange gains and losses are presented in profit or loss within 'other operating income'.

2.4 Revenue

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

Sale of goods

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

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

Revenue from production is recognised upon shipment to the customer.

Revenue from tooling is recognised over the length of the contract, in line with the terms of the agreement.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)**2.5 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.

2.6 Government grants

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

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

2.7 Interest income

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

2.8 Finance costs

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

2.9 Pensions**Defined contribution pension plan**

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

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

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 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 Statement of comprehensive income over its useful economic life, which the directors have estimated to be five years.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

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:

Improvements to property	-	10% on cost or over the remaining term of the lease if that term is less than 10 years
Plant and machinery	-	25% on cost and 10% on cost
Motor vehicles	-	20% on cost
Fixtures and fittings	-	33% on cost

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

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of comprehensive income.

2.12 Impairment of fixed assets and goodwill

Assets that are subject to depreciation or amortisation are assessed at each reporting date to determine whether there is any indication that the assets are impaired. Where there is any indication that an asset may be impaired, the carrying value of the asset (or cash-generating unit to which the asset has been allocated) is tested for impairment. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's (or CGU's) fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (CGUs). Non-financial assets that have been previously impaired are reviewed at each reporting date to assess whether there is any indication that the impairment losses recognised in prior periods may no longer exist or may have decreased.

2.13 Stocks

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

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

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)**2.14 Debtors**

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.15 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.16 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.17 Provisions for liabilities

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

Provisions are charged as an expense to profit or loss in the year that the Company becomes aware of the obligation, and are measured at the best estimate at the Statement of financial position 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 Statement of financial position.

2.18 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of comprehensive income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the reporting date.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

2. Accounting policies (continued)

2.18 Financial instruments (continued)

Financial assets and liabilities are offset and the net amount reported in the Statement of financial position 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.

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

In the application of the Company's accounting policies, management are required to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the Balance Sheet date and the amounts reported for revenues and expenses during the year. The estimates are based on historical experience and other factors that are considered to be relevant.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revisions and future periods if the revision affects both current and future periods.

Management do not consider there to be any significant areas of estimation uncertainty in the financial statements.

4. Turnover

An analysis of turnover by country of destination is as follows:

	2021 £	2020 £
United Kingdom	13,135,805	10,582,664
Rest of Europe	54,023	160,536
	<u>13,189,828</u>	<u>10,743,200</u>

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

	2021 £	2020 £
Production turnover	12,861,328	10,577,638
Tooling turnover	328,500	165,562
	<u>13,189,828</u>	<u>10,743,200</u>

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

5. Other operating income

	2021	2020
	£	£
Other operating income	10,568	2,124,276
Government grants receivable	50,276	1,611,222
	60,844	3,735,498

Other operating income for the prior year includes the income received from a customer in respect of restructuring support.

Other government grants receivable in the prior year includes amounts receivable under the Coronavirus Job Retention Scheme (CJRS) to reimburse the company for the wages of certain employees who were furloughed during the period but who remained on the company's payroll. As this scheme involves a transfer of resources from the government to the entity, it meets the definition of a government grant.

6. Operating profit

The operating profit is stated after charging:

	2021	2020
	£	£
Exchange differences	(7,179)	7,872
Other operating lease rentals	621,265	642,151
Amortisation of goodwill	-	76,330
Depreciation of tangible fixed assets	386,531	534,028

7. Auditor's remuneration

Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	35,535	32,250
Fees payable in respect of the preparation of the annual financial statements	824	750
Fees payable for corporate tax compliance	6,695	6,500
Total remuneration	43,054	39,500

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

8. Employees

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

	2021 £	2020 £
Wages and salaries	4,041,548	5,446,883
Social security costs	428,276	504,713
Pension costs (note 25)	112,330	143,683
	<u>4,582,154</u>	<u>6,095,279</u>

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

	2021 No.	2020 No.
Production	74	99
Administration	46	64
	<u>120</u>	<u>163</u>

9. Directors' remuneration

	2021 £	2020 £
Directors' emoluments	<u>140,210</u>	<u>208,599</u>

The value of the Company's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £Nil (2020: £Nil).

10. Interest receivable and similar income

	2021 £	2020 £
Other interest receivable	<u>3,201</u>	<u>9,592</u>

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

11. Interest payable and similar charges

	2021 £	2020 £
Other loan interest payable	51,625	12,606
Finance leases and hire purchase contracts	44,276	74,840
	<u>95,901</u>	<u>87,446</u>

12. Other exceptional income

	2021 £	2020 £
Gain on loan waiver	-	1,595,752
	<u>-</u>	<u>1,595,752</u>

On 30 June 2020, the loan with Hacama Investment GmbH was waived in full and the liability to repay the loan was formally released.

13. Taxation

	2021 £	2020 £
Total current tax	<u>-</u>	<u>-</u>
Total deferred tax	<u>-</u>	<u>-</u>
Taxation on profit on ordinary activities	<u>-</u>	<u>-</u>

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

13. Taxation (continued)**Factors affecting tax charge for the year**

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

	2021 £	2020 £
Profit on ordinary activities before tax	93,224	1,571,931
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2020: 19%)	17,713	298,667
Effects of:		
Income not chargeable for tax purposes	(39,600)	(259,454)
Remeasurement of deferred tax for changes in tax rates	(27,876)	(10,716)
Deferred tax not recognised	49,763	(28,497)
Total tax charge for the year	-	-

The deferred tax not recognised relates to carried forward trading losses for which the circumstances to be utilised are unknown, therefore has not been recognised.

Factors that may affect future tax charges

In the Spring Budget 2021, the Government announced that from 1 April 2023 the corporate tax rate would increase to 25%. This proposal was substantively enacted in the Finance Bill 2021 and as such, its effects have been included within these financial statements.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

14. Intangible assets

	Goodwill £
Cost	
At 1 January 2021	95,412
At 31 December 2021	95,412
Amortisation	
At 1 January 2021	95,412
At 31 December 2021	95,412
Net book value	
At 31 December 2021	-
<i>At 31 December 2020</i>	-

Amortisation in the year and any impairment is charged to administrative expenses.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

15. Tangible fixed assets

	Long-term leasehold property £	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Tooling £	Total £
Cost						
At 1 January 2021	528,895	3,168,197	5,600	37,778	15,664	3,756,134
Additions	69,105	823,913	-	-	57,750	950,768
Disposals	(67,760)	(1,096,652)	-	-	-	(1,164,412)
At 31 December 2021	<u>530,240</u>	<u>2,895,458</u>	<u>5,600</u>	<u>37,778</u>	<u>73,414</u>	<u>3,542,490</u>
Depreciation						
At 1 January 2021	223,333	1,604,939	3,162	18,606	2,282	1,852,322
Charge for the year	69,744	296,195	1,116	8,898	10,578	386,531
Disposals	(36,861)	(713,178)	-	-	-	(750,039)
At 31 December 2021	<u>256,216</u>	<u>1,187,956</u>	<u>4,278</u>	<u>27,504</u>	<u>12,860</u>	<u>1,488,814</u>
Net book value						
At 31 December 2021	<u>274,024</u>	<u>1,707,502</u>	<u>1,322</u>	<u>10,274</u>	<u>60,554</u>	<u>2,053,676</u>
At 31 December 2020	<u>305,562</u>	<u>1,563,258</u>	<u>2,438</u>	<u>19,172</u>	<u>13,382</u>	<u>1,903,812</u>

16. Stocks

	2021 £	2020 £
Raw materials and consumables	410,707	525,876
Work in progress	890,268	785,772
	<u>1,300,975</u>	<u>1,311,648</u>

An impairment of £Nil (2020: £20,935) was recognised in cost of sales against stock during the year due to slow-moving and obsolete stock.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

17. Debtors

	2021 £	2020 £
Trade debtors	366,822	472,911
Other debtors	79,859	92,681
Prepayments and accrued income	266,958	220,739
	<u>713,639</u>	<u>786,331</u>

An impairment loss of £Nil (2020: £39,972) was recognised against trade debtors.

18. Cash and cash equivalents

	2021 £	2020 £
Cash at bank and in hand	<u>602,362</u>	<u>1,104,993</u>

19. Creditors: Amounts falling due within one year

	2021 £	2020 £
Trade creditors	645,962	495,164
Other taxation and social security	629,234	1,283,186
Obligations under finance lease and hire purchase contracts	204,196	388,526
Other creditors	199,973	245,573
Accruals and deferred income	447,404	643,264
	<u>2,126,769</u>	<u>3,055,713</u>

Obligations under finance lease and hire purchase are secured on the assets financed.

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

	2021 £	2020 £
Net obligations under finance leases and hire purchase contracts	<u>598,133</u>	<u>213,545</u>

Obligations under finance lease and hire purchase are secured on the assets financed.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

21. Hire purchase and finance leases

Minimum lease payments under hire purchase fall due as follows:

	2021	2020
	£	£
Within one year	204,196	388,526
Between 1-5 years	598,133	213,545
	<u>802,329</u>	<u>602,071</u>

22. Provisions

	Dilapidations provision £
At 1 January 2021	150,000
Charged to profit or loss	15,000
At 31 December 2021	<u>165,000</u>

The property provision has been provided to cover the cost of the dilapidations provision on leased properties, expected to be payable within five years.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

23. Share capital

	2021 £	2020 £
Allotted, called up and fully paid		
100 (2020: 100) Ordinary shares of £0.001 each	1	1
	<u>1</u>	<u>1</u>

There is a single class of ordinary shares. There are no restrictions on dividends and the repayment of capital.

24. Reserves

Profit and loss account

Includes all current & prior periods retained profits & losses.

25. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the company to the fund and amounted to £112,330 (2020: £143,683). Contributions totalling £23,422 (2020: £11,089) were payable to the fund at the balance sheet date and are included in other creditors.

26. Commitments under operating leases

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

	2021 £	2020 £
Not later than 1 year	666,094	591,702
Later than 1 year and not later than 5 years	2,637,034	2,218,882
	<u>3,303,128</u>	<u>2,810,584</u>

27. Related party transactions

During the year £245,000 (2020: £123,000) was paid to Goldwater Holding Ltd, the immediate and ultimate controlling party at the year end, in respect of management charges.

ADV Brightware Manufacturing Ltd.

**Notes to the Financial Statements
For the Year Ended 31 December 2021**

28. Immediate and ultimate controlling party

Goldwater Holding Ltd is the immediate and ultimate controlling party as at the date of approval of these financial statements.

As a subsidiary undertaking, the results of ADV Brightware Manufacturing Ltd are consolidated into Goldwater Holding Ltd, whose registered office is:

Rutland House
148 Edmund Street
Birmingham
West Midlands
England
B3 2FD

The consolidated financial statements for this group may be obtained from the aforementioned address.