

AIR HOLDCO LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2022

AIR HOLDCO LIMITED

COMPANY INFORMATION

Directors	T Clarkson (resigned 25 February 2022) T Dingley (resigned 30 September 2022) T M Moss (resigned 31 January 2023) J R Wilson (resigned 31 January 2023) P R Weston (resigned 25 February 2022) D Thörner (appointed 25 February 2022) H Kruchen (appointed 25 February 2022) A Fisher (appointed 29 November 2022)
Registered number	12416153
Registered office	Unit 4 Harelaw Industrial Estate Harelaw Near Stanley Co Durham DH9 8UJ
Independent auditors	Ryecroft Glenton Chartered Accountants & Statutory Auditors 32 Portland Terrace Newcastle upon Tyne NE2 1QP

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**GROUP STRATEGIC REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

Introduction

The directors present their strategic report for the year ended 31 December 2022.

Business review

The UK construction market remained challenging in 2022 but the Company had an improved result on the previous year. Turnover and gross profit increased from 2021.

Principal risks and uncertainties

The main risk to the Company continues to be price changes in raw materials and its customers being dependent, to a degree, on the construction industry. These risks are actively monitored through regular monitoring.

Financial key performance indicators

Group sales for the year were £13,395,189

Group gross profit for the year was £3,371,880

Group profit before tax for the year was £1,057,617

This report was approved by the board on 15 February 2023 and signed on its behalf.

A Fisher
Director

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2022**

The directors present their report and the financial statements for the year ended 31 December 2022.

Directors

The directors who served during the year were:

T Clarkson (resigned 25 February 2022)
T Dingley (resigned 30 September 2022)
T M Moss (resigned 31 January 2023)
J R Wilson (resigned 31 January 2023)
P R Weston (resigned 25 February 2022)
D Thörner (appointed 25 February 2022)
H Kruchen (appointed 25 February 2022)
A Fisher (appointed 29 November 2022)

Principal activity

The principal activity of the Group throughout the year has continued to be the manufacture of cold roll formed metal sections, pressings and related products.

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;
- 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 £853,029 (2021 - £626,921).

No dividend had been paid or recommended.

DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

Future developments

The Group will continue to focus on primarily the HVAC sector of the construction market by growing sales of new products introduced and by growing sales into mainland Europe.

Disclosure of information to auditors

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

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

Post balance sheet events

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

Auditors

The auditors, Ryecroft Glenton, will be proposed for reappointment in accordance with section 485 of the Companies Act 2006.

This report was approved by the board on 15 February 2023 and signed on its behalf.

A Fisher

Director

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIR HOLDCO LIMITED

Opinion

We have audited the financial statements of Air Holdco Limited (the 'parent Company') and its subsidiaries (the 'Group') for the year ended 31 December 2022, which comprise the Group Statement of Comprehensive Income, the Group and Company Balance Sheets, the Group Statement of Cash Flows, the Group and Company Statement of Changes in Equity and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the Group's and of the parent Company's affairs as at 31 December 2022 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 Auditors' 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIR HOLDCO LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' 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.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Group 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 Group Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIR HOLDCO LIMITED (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

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

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

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the Group through discussions with directors and other management;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the Group, including the Companies Act 2006;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- we ensured that the identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the Group's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by: -

- making enquiries of management as to where they considered there was susceptibility to fraud and their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we: -

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions; and
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to: -

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC, and the Group's legal advisors where appropriate.

There are inherent limitations in our audit procedures described above. The more removed that laws and regulations are from financial transactions, the less likely it is that we would become aware of non-compliance. Auditing standards also limit the audit procedures required to identify non-compliance with laws and regulations to enquiry of the directors and other management and the inspection of regulatory and legal correspondence, if

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AIR HOLDCO LIMITED (CONTINUED)

any.

Material misstatements that arise due to fraud can be harder to detect than those that arise from error as they may involve deliberate concealment or collusion.

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

Use of our report

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

Ian Smith (Senior Statutory Auditor)

for and on behalf of
Ryecroft Glenton

Chartered Accountants
Statutory Auditors

32 Portland Terrace
Newcastle upon Tyne
NE2 1QP

15 February 2023

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Note	2022 £	2021 £
Turnover	4	13,395,189	10,888,873
Cost of sales		(10,023,309)	(7,964,676)
Gross profit		3,371,880	2,924,197
Administrative expenses		(1,998,851)	(1,721,964)
Other operating income	5	-	15,886
Other operating charges		(123,123)	(285,892)
Operating profit	6	1,249,906	932,227
Interest payable and similar expenses	10	(192,289)	(162,952)
Profit before tax		1,057,617	769,275
Tax on profit	11	(204,588)	(142,354)
Profit for the financial year		853,029	626,921
Other comprehensive income for the year			
Total comprehensive income for the year		853,029	626,921
Profit for the year attributable to:			
Owners of the parent company		853,029	626,921
		853,029	626,921
Total comprehensive income attributable to:			

The notes on pages 16 to 36 form part of these financial statements.

CONSOLIDATED BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Intangible assets	12	37,046	34,514
Tangible assets	13	1,989,564	2,032,542
		<u>2,026,610</u>	<u>2,067,056</u>
Current assets			
Stocks	15	2,810,184	2,688,773
Debtors: amounts falling due within one year	16	4,058,249	2,726,886
Cash at bank and in hand	17	203,808	183,937
		<u>7,072,241</u>	<u>5,599,596</u>
Creditors: amounts falling due within one year	18	(7,047,052)	(5,947,932)
Net current assets/(liabilities)		<u>25,189</u>	<u>(348,336)</u>
Total assets less current liabilities		<u>2,051,799</u>	<u>1,718,720</u>
Creditors: amounts falling due after more than one year	19	(215,385)	(759,335)
Provisions for liabilities			
Deferred tax	22	(83,000)	(61,000)
		<u>(83,000)</u>	<u>(61,000)</u>
Net assets		<u><u>1,753,414</u></u>	<u><u>898,385</u></u>
Capital and reserves			
Called up share capital	23	1,050	1,040
Share premium account	24	49,770	47,780
Profit and loss account	24	1,702,594	849,565
		<u><u>1,753,414</u></u>	<u><u>898,385</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 February 2023.

A Fisher
Director

The notes on pages 16 to 36 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 DECEMBER 2022

	Note	2022 £	2021 £
Fixed assets			
Investments	14	3,893,224	3,893,224
		<u>3,893,224</u>	<u>3,893,224</u>
Creditors: amounts falling due within one year	18	(3,880,055)	(3,760,712)
Net current liabilities		<u>(3,880,055)</u>	<u>(3,760,712)</u>
Total assets less current liabilities		13,169	132,512
Creditors: amounts falling due after more than one year	19	-	(113,180)
Net assets excluding pension asset		<u>13,169</u>	<u>19,332</u>
Net assets		<u><u>13,169</u></u>	<u><u>19,332</u></u>
Capital and reserves			
Called up share capital	23	1,050	1,040
Share premium account	24	49,770	47,780
Profit and loss account brought forward		(29,488)	(35,820)
Loss/(profit) for the year		(8,163)	6,332
Profit and loss account carried forward		<u>(37,651)</u>	<u>(29,488)</u>
		<u><u>13,169</u></u>	<u><u>19,332</u></u>

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 15 February 2023.

A Fisher
Director

The notes on pages 16 to 36 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2021	1,040	47,780	222,644	271,464
Profit for the year	-	-	626,921	626,921
At 1 January 2022	1,040	47,780	849,565	898,385
Profit for the year	-	-	853,029	853,029
Shares issued during the year	1,050	1,990	-	3,040
Shares cancelled during the year	(1,040)	-	-	(1,040)
At 31 December 2022	1,050	49,770	1,702,594	1,753,414

The notes on pages 16 to 36 form part of these financial statements.

**COMPANY STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 January 2021	1,040	47,780	(35,820)	13,000
Profit for the year	-	-	6,332	6,332
At 1 January 2022	1,040	47,780	(29,488)	19,332
Loss for the year	-	-	(8,163)	(8,163)
Shares issued during the year	1,050	1,990	-	3,040
Shares cancelled during the year	(1,040)	-	-	(1,040)
At 31 December 2022	1,050	49,770	(37,651)	13,169

The notes on pages 16 to 36 form part of these financial statements.

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022**

	2022	2021
	£	£
Cash flows from operating activities		
Profit for the financial year	853,029	626,921
Adjustments for:		
Amortisation of intangible assets	422	(35,068)
Depreciation of tangible assets	213,519	283,511
Loss on disposal of tangible assets	(417)	-
Government grants	-	(15,886)
Interest paid	192,289	162,951
Taxation charge	204,588	142,354
(Increase) in stocks	(121,411)	(1,094,016)
(Increase) in debtors	(1,331,363)	(501,967)
(Increase)/decrease in amounts owed by groups	(113,800)	-
Increase/(decrease) in creditors	266,026	(249,989)
Increase in amounts owed to groups	340,781	-
Corporation tax (paid)	(238,483)	(83,212)
Net cash generated from operating activities	265,180	(764,401)
Cash flows from investing activities		
Purchase of intangible fixed assets	(2,955)	(28,862)
Purchase of tangible fixed assets	(170,541)	(14,322)
Sale of tangible fixed assets	417	-
Government grants received	-	15,886
Net cash from investing activities	(173,079)	(27,298)

CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022 £	2021 £
Cash flows from financing activities		
Issue of ordinary shares	2,000	-
Repayment of loans	(430,769)	(323,076)
Other new loans	1,862,696	-
Movements on invoice discounting	(1,313,868)	1,188,161
Interest paid	(192,289)	(162,951)
Net cash used in financing activities	(72,230)	702,134
Net increase/(decrease) in cash and cash equivalents	19,871	(89,565)
Cash and cash equivalents at beginning of year	183,937	273,502
Cash and cash equivalents at the end of year	203,808	183,937
Cash and cash equivalents at the end of year comprise:		
Cash at bank and in hand	203,808	183,937
	203,808	183,937

The notes on pages 16 to 36 form part of these financial statements.

**CONSOLIDATED ANALYSIS OF NET DEBT
FOR THE YEAR ENDED 31 DECEMBER 2022**

	At 1 January 2022 £	Cash flows £	At 31 December 2022 £
Cash at bank and in hand	183,937	19,871	203,808
Debt due after 1 year	(759,335)	543,950	(215,385)
Debt due within 1 year	(430,769)	(2,202,857)	(2,633,626)
	<u>(1,006,167)</u>	<u>(1,639,036)</u>	<u>(2,645,203)</u>

The notes on pages 16 to 36 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

1. General information

The Company is a private company limited by shares and is incorporated in England and Wales. The address of its registered office is Unit 4 Harelaw Industrial Estate, Harelaw, Near Stanley, Co Durham, DH9 8UJ. The Company's number is 12416153.

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 Comprehensive Income in these financial statements.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

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.

The consolidated financial statements incorporate the results of business combinations using the purchase method. In the Balance Sheet, the acquiree's identifiable assets, liabilities and contingent liabilities are initially recognised at their fair values at the acquisition date. The results of acquired operations are included in the Consolidated Statement of Comprehensive Income from the date on which control is obtained. They are deconsolidated from the date control ceases.

In accordance with the transitional exemption available in FRS 102, the Group has chosen not to retrospectively apply the standard to business combinations that occurred before the date of transition to FRS 102, being 21 January 2020.

2.3 Going concern

The directors have reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. They continue to believe the going concern basis of accounting appropriate in preparing the annual financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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.

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 Consolidated 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'.

On consolidation, the results of overseas operations are translated into Sterling at rates approximating to those ruling when the transactions took place. All assets and liabilities of overseas operations are translated at the rate ruling at the reporting date. Exchange differences arising on translating the opening net assets at opening rate and the results of overseas operations at actual rate are recognised in other comprehensive income.

2.5 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group 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 Group has transferred the significant risks and rewards of ownership to the buyer;
- the Group 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 Group 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.6 Operating leases: the Group 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.

2.7 Government grants

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

2.8 Interest income

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

2.9 Finance costs

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

2.10 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.11 Pensions

Defined contribution pension plan

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.12 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met; and
- Where they relate to timing differences in respect of interests in subsidiaries, associates, branches and joint ventures and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

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

2.13 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 Comprehensive Income over its useful economic life.

Other intangible assets

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

All intangible assets are considered to have a finite useful life. If a reliable estimate of the useful life cannot be made, the useful life shall not exceed ten years.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.14 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.

The Group adds to the carrying amount of an item of fixed assets the cost of replacing part of such an item when that cost is incurred, if the replacement part is expected to provide incremental future benefits to the Group. The carrying amount of the replaced part is derecognised. Repairs and maintenance are charged to profit or loss during the period in which they are incurred.

At each reporting date the Group assessed whether there is any indication of impairment. If such indication exists, the recoverable amount of the asset is determined which is the higher of its fair value less costs to sell and its value in use. An impairment loss is recognised where the carrying amount exceeds the recoverable amount.

Land is not depreciated. Depreciation on other assets 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% straight line
Plant and machinery	- 10 - 33.33% straight line
Office equipment	- 15% straight line
Computer equipment	- 33.33% straight line

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

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

2.15 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.16 Stocks

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

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.17 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.

2.18 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.

In the Consolidated Statement of Cash Flows, cash and cash equivalents are shown net of bank overdrafts that are repayable on demand and form an integral part of the Group's cash management.

2.19 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.

2.20 Provisions for liabilities

Provisions are made where an event has taken place that gives the Group 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 Group becomes aware of the obligation, and are measured at the best estimate at the balance sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

2. Accounting policies (continued)

2.21 Financial instruments

The Group 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 Consolidated 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 Group would receive for the asset if it were to be sold at the balance sheet date.

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.

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

In the application of the company's accounting policies, which are described in note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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 the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty - depreciation of fixed assets

The amount by which fixed assets are depreciated annually is material to the financial statements and consequently, the estimate of the useful lives of fixed assets and their residual value is considered to be a critical area of judgement. There has been no change in these estimates this year.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

4. Turnover

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

	2022 £	2021 £
Sales of cold roll formed metal sections, pressings and related products	13,395,189	10,888,873
	<u>13,395,189</u>	<u>10,888,873</u>

Analysis of turnover by country of destination:

	2022 £	2021 £
United Kingdom	12,416,528	10,129,018
Rest of Europe	968,290	737,074
Rest of the World	10,371	22,781
	<u>13,395,189</u>	<u>10,888,873</u>

5. Other operating income

	2022 £	2021 £
Government grants receivable	-	15,886
	<u>-</u>	<u>15,886</u>

6. Operating profit

The operating profit is stated after charging:

	2022 £	2021 £
Depreciation of tangible fixed assets	213,519	283,511
Amortisation of intangible assets	423	(35,068)
Fees payable to the Group's auditor and its associates for the audit of the Group's annual financial statements	32,600	42,694
Exchange differences	(15,910)	34,447
Other operating lease rentals	(67,512)	59,207
Defined contribution pension cost	<u>70,736</u>	<u>67,935</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

7. Auditors' remuneration

During the year, the Group obtained the following services from the Company's auditors:

	2022 £	<i>2021</i> £
Fees payable to the Company's auditors for the audit of the consolidated and parent Company's financial statements	32,600	<i>42,694</i>
	<hr/>	<hr/>

8. Employees

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

	Group 2022 £	<i>Group</i> <i>2021</i> £	Company 2022 £	<i>Company</i> <i>2021</i> £
Wages and salaries	2,036,249	<i>1,845,891</i>	-	-
Social security costs	253,274	<i>169,278</i>	-	-
Cost of defined contribution scheme	70,737	<i>67,935</i>	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>2,360,260</u>	<i><u>2,083,104</u></i>	<u>-</u>	<i><u>-</u></i>

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

	2022 No.	<i>2021</i> <i>No.</i>
Production	38	<i>35</i>
Selling	5	<i>6</i>
Admin	3	<i>4</i>
	<hr/>	<hr/>
	<u>46</u>	<i><u>45</u></i>

The Company has no employees other than the directors, who did not receive any remuneration.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

9. Directors' remuneration

	2022	<i>2021</i>
	£	<i>£</i>
Directors' emoluments	539,918	<i>455,197</i>
Group contributions to defined contribution pension schemes	25,495	<i>23,297</i>
	<u>565,413</u>	<i><u>478,494</u></i>

During the year retirement benefits were accruing to 3 directors (2021 - 2) in respect of defined contribution pension schemes.

The highest paid director received remuneration of £233,158 (2021 - £179,705).

The value of the Group's contributions paid to a defined contribution pension scheme in respect of the highest paid director amounted to £19,793 (2021 - £18,958).

The value of the Group's contributions paid to a defined benefit pension scheme in respect of the highest paid director amounted to £19,793 (2021 - £18,958).

The total accrued pension provision of the highest paid director at 31 December 2022 amounted to £NIL (2021 - £NIL).

The amount of the accrued lump sum in respect of the highest paid director at 31 December 2022 amounted to £NIL (2021 - £NIL).

10. Interest payable and similar expenses

	2022	<i>2021</i>
	£	<i>£</i>
Other loan interest payable	192,289	<i>162,600</i>
Other interest payable	-	<i>352</i>
	<u>192,289</u>	<i><u>162,952</u></i>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

11. Taxation

	2022 £	2021 £
Corporation tax		
Current tax on profits for the year	182,588	158,483
Adjustments in respect of previous periods	-	(7,129)
	<u>182,588</u>	<u>151,354</u>
Deferred tax		
Origination and reversal of timing differences	<u>22,000</u>	<u>(9,000)</u>
	<u>204,588</u>	<u>142,354</u>
Taxation on profit on ordinary activities		

Factors affecting tax charge for the year

The tax assessed for the year is higher than (2021 - lower than) the standard rate of corporation tax in the UK of 19% (2021 - 19%). The differences are explained below:

	2022 £	2021 £
Profit on ordinary activities before tax	<u>1,057,617</u>	<u>769,275</u>
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2021 - 19%)	200,947	146,162
Effects of:		
Non-tax deductible amortisation of goodwill and impairment	(1,371)	(8,226)
Expenses not deductible for tax purposes, other than goodwill amortisation and impairment	492	265
Capital allowances for year in excess of depreciation	(16,988)	31,942
Utilisation of tax losses	-	(6,806)
Adjustments to tax charge in respect of prior periods	-	(7,129)
Short term timing difference leading to an increase (decrease) in taxation	22,000	(9,000)
Adjustment in research and development tax credit leading to an increase (decrease) in the tax charge	-	(5,010)
Changes in provisions leading to an increase (decrease) in the tax charge	(492)	156
Total tax charge for the year	<u>204,588</u>	<u>142,354</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

11. Taxation (continued)

Factors that may affect future tax charges

There were no factors that may affect future tax charges.

12. Intangible assets

Group and Company

	Patents £	Goodwill £	Total £
Cost			
At 1 January 2022	56,412	(86,594)	(30,182)
Additions	2,955	-	2,955
	<hr/>	<hr/>	<hr/>
At 31 December 2022	59,367	(86,594)	(27,227)
	<hr/>	<hr/>	<hr/>
Amortisation			
At 1 January 2022	14,681	(79,377)	(64,696)
Charge for the year on owned assets	7,640	(7,217)	423
	<hr/>	<hr/>	<hr/>
At 31 December 2022	22,321	(86,594)	(64,273)
	<hr/>	<hr/>	<hr/>
Net book value			
At 31 December 2022	<u>37,046</u>	<u>-</u>	<u>37,046</u>
<i>At 31 December 2021</i>	<u>41,731</u>	<u>(7,217)</u>	<u>34,514</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

13. Tangible fixed assets

Group

	Freehold property £	Plant and machinery £	Office equipment £	Computer equipment £	Total £
Cost or valuation					
At 1 January 2022	1,489,976	998,710	268	89,609	2,578,563
Additions	-	155,974	-	14,567	170,541
Disposals	-	(5,990)	-	-	(5,990)
At 31 December 2022	1,489,976	1,148,694	268	104,176	2,743,114
Depreciation					
At 1 January 2022	93,839	413,142	247	38,793	546,021
Charge for the year on owned assets	52,038	140,178	21	21,282	213,519
Disposals	-	(5,990)	-	-	(5,990)
At 31 December 2022	145,877	547,330	268	60,075	753,550
Net book value					
At 31 December 2022	1,344,099	601,364	-	44,101	1,989,564
At 31 December 2021	1,396,137	585,568	21	50,816	2,032,542

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022

14. Fixed asset investments**Company**

	Investments in subsidiary companies £
Cost or valuation	
At 1 January 2022	3,893,224
At 31 December 2022	<u>3,893,224</u>

Subsidiary undertakings

The following were subsidiary undertakings of the Company:

Name	Class of shares	Holding
Doby Verrolec Limited	Ordinary	100 %
Doby Cleats Limited	Ordinary	100 %

The aggregate of the share capital and reserves as at 31 December 2022 and the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

Name	Aggregate of share capital and reserves £	Profit £
Doby Verrolec Limited	814,735	-
Doby Cleats Limited	4,819,734	853,974

15. Stocks

	Group 2022 £	Group 2021 £
Raw materials and consumables	1,114,824	1,122,136
Finished goods and goods for resale	1,695,360	1,566,637
	<u>2,810,184</u>	<u>2,688,773</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

16. Debtors

	Group 2022 £	Group 2021 £
Trade debtors	3,844,255	2,599,975
Other debtors	1,380	-
Prepayments and accrued income	212,614	126,911
	<u>4,058,249</u>	<u>2,726,886</u>

17. Cash and cash equivalents

	Group 2022 £	Group 2021 £
Cash at bank and in hand	203,808	183,937
	<u>203,808</u>	<u>183,937</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

18. Creditors: Amounts falling due within one year

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Bank loans	430,769	430,769	-	-
Other loans	2,202,857	-	226,981	-
Trade creditors	1,694,198	1,325,658	-	-
Amounts owed to group undertakings	-	-	3,653,074	3,460,215
Corporation tax	102,588	158,483	-	-
Other taxation and social security	289,997	188,308	-	-
Discounting and asset loan	1,824,009	3,137,877	-	-
Other creditors	10,872	309,081	-	299,979
Accruals and deferred income	491,762	397,756	-	518
	<u>7,047,052</u>	<u>5,947,932</u>	<u>3,880,055</u>	<u>3,760,712</u>

The following liabilities were secured:

	Group 2022 £	<i>Group 2021 £</i>
Bank loans	430,769	430,769
Discounting and asset loan	1,824,009	3,137,877
	<u>2,254,778</u>	<u>3,568,646</u>

Details of security provided:

Creditors falling due within one year include £1,824,009 (2021: £3,137,877) in respect of a discounting and asset loan. This is secured by a fixed and floating charge on the assets of the Group.

The bank loan is secured by a fixed and floating charge over the freehold land and buildings.

Details of other loans provided:

The company also received a loan from Gebhardt Holdings GmbH in the year for EUR 2,300,000. This loan bears a fixed interest rate of 2.5% and is repayable within 1 year. The amount outstanding at the year end in GBP for this loan was £1,975,876 and is included within other loans.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

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

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Bank loans	215,385	646,155	-	-
Other loans	-	113,180	-	113,180
	<u>215,385</u>	<u>759,335</u>	<u>-</u>	<u>113,180</u>

The following liabilities were secured:

	Group 2022	<i>Group 2021</i>
	£	£
Bank loan	215,385	646,155
	<u>215,385</u>	<u>646,155</u>

Details of security provided:

The bank loan is secured by a fixed and floating charge over the freehold land and buildings.

20. Loans

Analysis of the maturity of loans is given below:

	Group 2022	<i>Group 2021</i>	Company 2022	<i>Company 2021</i>
	£	£	£	£
Amounts falling due within one year				
Bank loans	430,769	430,769	-	-
Other loans	2,202,857	-	226,981	-
Amounts falling due 1-2 years				
Bank loans	215,385	430,769	-	-
Other loans	-	113,180	-	113,180
Amounts falling due 2-5 years				
Bank loans	-	215,386	-	-
	<u>2,849,011</u>	<u>1,190,104</u>	<u>226,981</u>	<u>113,180</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

21. Financial instruments

	Group 2022 £	<i>Group 2021 £</i>	Company 2022 £	<i>Company 2021 £</i>
Financial assets				
Financial assets measured at fair value through profit or loss	203,808	183,937	-	-
Financial assets measured at amortised cost	3,844,255	2,599,975	-	-
	<u>4,048,063</u>	<u>2,783,912</u>	<u>-</u>	<u>-</u>
Financial liabilities				
Financial liabilities measured at amortised cost	<u>6,869,852</u>	<u>6,360,476</u>	<u>3,880,055</u>	<u>3,873,892</u>

Financial assets measured at amortised cost profit or loss comprise cash at bank and in hand.

Financial assets measured at amortised cost comprise trade debtors.

Financial liabilities measured at amortised cost comprise bank loans, trade creditors, amounts owed to group undertakings, discounting and asset loans, other creditors and accruals.

22. Deferred taxation**Group**

	2022 £
At beginning of year	(61,000)
Charged to profit or loss	(22,000)
At end of year	<u>(83,000)</u>

The provision for deferred taxation is made up as follows:

	Group 2022 £	<i>Group 2021 £</i>
Accelerated capital allowances	(83,000)	(61,000)
	<u>(83,000)</u>	<u>(61,000)</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

23. Share capital

	2022	2021
	£	£
Authorised		
Nil (2021 - 720,000) A Ordinary shares of £0.001 each	-	720
Nil (2021 - 220,000) B Ordinary shares of £0.001 each	-	220
Nil (2021 - 100,000) Preference shares of £0.001 each	-	100
1,050,000 (2021 - 1,050,000) Ordinary shares of £0.001 each	1,050	1,050
	<u>1,050</u>	<u>2,090</u>
Allotted, called up and fully paid		
Nil A Ordinary shares of £0.001 each	-	720
Nil B Ordinary shares of £0.001 each	-	220
Nil Preference shares of £0.001 each	-	100
1,050,000 (2021 - Nil) Ordinary shares of £0.001 each	1,050	-
	<u>1,050</u>	<u>1,040</u>

On 25th February 2022, 10,000 B Ordinary shares of £0.001 each were issued at par value. On the same day, all of the Company's A Ordinary shares, B Ordinary shares and Preference shares were redesignated as Ordinary shares.

24. Reserves

Share premium account

The share premium account includes the amount above the nominal value received for shares issued less transaction costs.

Profit and loss account

The profit and loss account includes all current and prior period retained profits and losses.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

25. Capital commitments

At 31 December 2022 the Group and Company had capital commitments as follows:

	Group 2022 £	<i>Group 2021 £</i>
Contracted for but not provided in these financial statements	125,549	6,825
	<u>125,549</u>	<u>6,825</u>

26. Pension commitments

The Group operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Group in an independently administered fund. The pension cost charge represents contributions payable by the Group to the fund and amounted to £70,736 (2021 - £67,935). Contributions totalling £10,872 (2021: £9,102) were payable to the fund at the balance sheet date.

27. Commitments under operating leases

At 31 December 2022 the Group and the Company had future minimum lease payments due under non-cancellable operating leases for each of the following periods:

	Group 2022 £	<i>Group 2021 £</i>
Not later than 1 year	34,747	42,162
Later than 1 year and not later than 5 years	28,102	61,220
	<u>62,849</u>	<u>103,382</u>

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2022**

28. Related party transactions

The share capital of the Group is 100% owned by Gebhardt Holding GmbH, a company incorporated in Germany. The Company purchased 100% of the shares in Air Holdco Limited in February 2022.

The ultimate controlling party is Bencis Buyout Fund V CV, a private equity fund operated by Bencis Capital Partners BV.

Transactions with Doby Verrolec Limited and Doby Cleats Limited are not disclosed as the Group has taken advantage of the exemption under Section 33 of FRS102.

Before the sale of Air Holdco Limited's share capital to Gebhardt Holding GmbH in February 2022, the ultimate parent company was Chiltern Capital LLP. During the year management fees totalling £38,014 (2021: £100,733) were paid by the Group to Chiltern Capital LLP of which £nil (2021: £12,360) was outstanding at the year end.

During the year the company made payments totalling £7,292 (2021: £54,531) to T Clarkson of which £nil (2021: £8,333) was outstanding at the year end. T Clarkson was a director of Air Holdco Limited until February 2022 and was acting Chairman of the group headed by Air Holdco Limited. The payments made were for his services as Chairman.

Key management personnel

All directors and certain senior employees who have authority and responsibility for planning, directing and controlling the activities of the Group are considered to be key management personnel. During the year ended 31 December 2022 total remuneration, excluding social security contributions, in respect of these individuals amounted to £637,329 (2021: £591,219).

29. Controlling party

The share capital of the Group is 100% owned by Gebhardt Holding GmbH, a company incorporated in Germany. The Company purchased 100% of the shares in Air Holdco Limited in February 2022.

The ultimate controlling party is Bencis Buyout Fund V CV, a private equity fund operated by Bencis Capital Partners BV. The office for this controlling party is:

World Trade Center

Zuidplein 76

1077 XV Amsterdam

The Netherlands

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