

REGISTERED NUMBER: 02028357 (England and Wales)

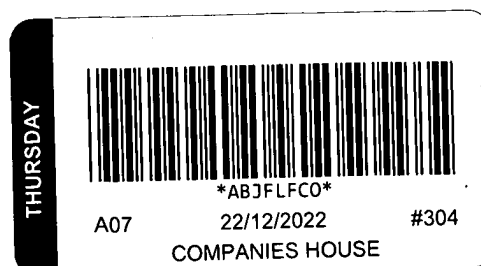
**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

DIRECTOR'S REPORT AND

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2021

Jerroms GCN Ltd
Westpoint, Second Floor
Mucklow Office Park
Mucklow Hill
Halesowen
West Midlands
B62 8DY



**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

**CONTENTS OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Page
Company Information	1
Director's Report	2 to 4
Report of the Independent Auditors	5 to 8
Statement of Comprehensive Income	9 to 10
Statement of Financial Position	11
Statement of Changes in Equity	12
Notes to the Financial Statements	13 to 26

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

**COMPANY INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTOR:	P T Brown
SECRETARY:	S J Bosley
REGISTERED OFFICE:	Field Industrial Estate Clover street Kirkby-In-Ashfield Nottingham NG17 7LJ
REGISTERED NUMBER:	02028357 (England and Wales)
AUDITORS:	Jerroms GCN Ltd Westpoint, Second Floor Mucklow Office Park Mucklow Hill Halesowen West Midlands B62 8DY
BANKERS:	BNP Paribas Bank London Branch 10 Harewood Avenue London NW1 6AA

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

The director presents his annual report with the audited financial statements of the company for the year ended 31 December 2021.

PRINCIPAL ACTIVITY

The principal activity of the company in the year under review was that of the chemical treatment of metal and ceramic surfaces.

DIVIDENDS

No dividends will be distributed for the year ended 31 December 2021 (2020: £Nil).

EVENTS SINCE THE END OF THE YEAR

Information relating to events since the end of the year is given in the notes to the financial statements.

DIRECTOR

P T Brown held office during the whole of the period from 1 January 2021 to the date of this report.

FUTURE DEVELOPMENTS AND POST BALANCE SHEET EVENTS

The director reports that the company has completed the physical relocation to a sister facility in Kirkby in Ashfield, Nottingham and that all processing is now carried out from the Nottingham site. The property formerly occupied by Aalberts Surface Treatment Tamworth Limited at Trinity Road Tamworth has been sold and the business now operates exclusively from Kirkby in Ashfield.

Whilst production is fully integrated into the Kirkby in Ashfield site, the administrative functions continue to transition across to Aalberts Surface Technologies Limited.

As the year progressed, most of the established customers (and some new) have merged with the sister company such that the number of transactions under the Aalberts Surface Treatment Tamworth Limited banner has continued to reduce.

The target is to fully merge the businesses in 2022 such that the former Tamworth entity will not conclude any transactions (sales or purchase orders) beyond the end of 2021.

The transition whilst difficult was successful and all processes which were available in Tamworth have been relocated and/or upgraded such that the business can offer the same range of coatings as previous.

Whilst the company has taken the decision to not relocate some 'lower margin' projects, the organisation has remained active in a broad wide range of industries and applications and remains very strong in the support of oil and gas activities, food preparation, aerospace and other 'general engineering' applications. The continued success of the provision of a specialised coating for Formula 1 has again proved to be successful and bodes well for continued growth into 2022 and beyond.

As a result of the merger the business has benefited from closer managerial control and improved operational efficiencies. In addition, the combined businesses are better positioned to be able to offer a broader range of complementary processes and benefit from combined skillsets, shared resources and wider range of managerial and operational support.

There are no other post balance sheet events noted.

GOING CONCERN

The director has concluded that at the time of approving the financial statements that the Company has merged with Aalberts Surface Technologies Limited, a fellow group undertaking and the Tamworth site where the Company is currently situated will be relocated to Nottingham. Therefore the financial statements are prepared on a basis other than going concern. No adjustments arose as a result of ceasing to apply the going concern basis. For further details see note 2 in the financial statements.

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

DIRECTORS INDEMNITIES

The Company has made qualifying third party indemnity provisions for the benefit of its director, and the director of its subsidiary which were made during the year and remain in force at the date of this report.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The company is exposed to credit risk from its operating activities (primarily for trade receivables). Debtor days outstanding are closely monitored throughout the year and action is taken promptly when payment terms are breached.

Liquidity risk

Liquidity risk is the risk that the company will encounter difficulties to meet obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group maintains sufficient reserves of cash to meet the liquidity requirements of the company at all times.

STATEMENT OF DIRECTOR'S RESPONSIBILITIES

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the director is required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 him to ensure that the financial statements comply with the Companies Act 2006. He is 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.

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the director is aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and he has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with Section 418 of the Companies Act 2006.

The Company has taken advantage of the small companies exemption in preparing the Report of the Director. The company has also claimed exemption on the preparation and disclosure of a strategic report.

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

**DIRECTOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2021**

AUDITORS

The auditor, Jerroms GCN Ltd will be proposed for re-appointment at the forthcoming Annual General Meeting.

APPROVED AND AUTHORISED BY THE BOARD:

A handwritten signature in black ink, appearing to be 'P T Brown', enclosed within a large, loopy circular flourish.

P T Brown - Director

20 December 2022

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

Qualified Opinion

We have audited the financial statements of Aalberts Surface Treatment Tamworth Limited (the 'company') for the year ended 31 December 2021 which comprise the Statement of Comprehensive Income, Statement of Financial Position, 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 qualified opinion.

Limitation of scope

We were not appointed as auditors of the company until June 2022. Accordingly we have not audited financial statements for the year ended 31 December 2020. There were no satisfactory audit procedures that we could apply to verify some of the comparative figures, although we are satisfied that the majority of the opening balances at 1 January 2021 were reasonably accurate. Also we were unable to physically attend the company's stocktake as at 31 December 2021, and as a result are unable to verify the quantity and valuation of stock in the financial statements.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's 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 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 director with respect to going concern are described in the relevant sections of this report.

Emphasis of matter

We draw attention to notes 2 and 24 of the financial statements that explain the merger of the company's business with another group member. Our audit report is not qualified in this respect.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Director's Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of director's remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the director was not entitled to take advantage of the small companies' exemption from the requirement to prepare a Strategic Report.

Responsibilities of director

As explained more fully in the Statement of Director's Responsibilities set out on page three, the director is 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 director determines 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 director is 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 director either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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 a Report of the Auditors 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.

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 financial statements.

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

In identifying and assessing risks of material misstatement in respect to irregularities, including fraud and non-compliance with laws and regulations, we considered the following:

a) Enquiries of management, including obtaining and reviewing supporting documentation, concerning the company's policies and procedures relating to: - Identifying, evaluating and complying with laws and regulations. - Whether they are aware of any instances of non-compliance.

b) As with all audits performed under ISAs (UK), performance of procedures to respond to the risk of the management override of controls.

c) We obtained an understanding of the legal and regulatory frameworks in which the company operates, focusing on those laws which had a direct effect on the material balances and disclosures in the company's financial statements. Key laws and regulations considered in this context were: - Companies Act 2006 - The Financial Reporting Standards applicable in the UK and Republic of Ireland (FRS 102)

d) In addition, we considered other laws and regulations that do not have a direct effect on the financial statements, but compliance is necessary for the continued operations of the company, or to avoid a material penalty.

Our procedures to respond to the risks identified included the following:

- Reviewing the financial statement disclosures and testing to supporting documentation.

- Enquiring of management concerning any actual or potential litigation or claims.

- Reviewing minutes of meetings of those charged with governance and correspondence with HMRC.

- In assessment of the risk of fraud through management override of controls, we have tested the appropriateness of journal entries, assessed whether the judgements made in the company making accounting estimates are indicative of a potential management bias and evaluated the business rationale of any significant transactions that are outside the normal course of business.

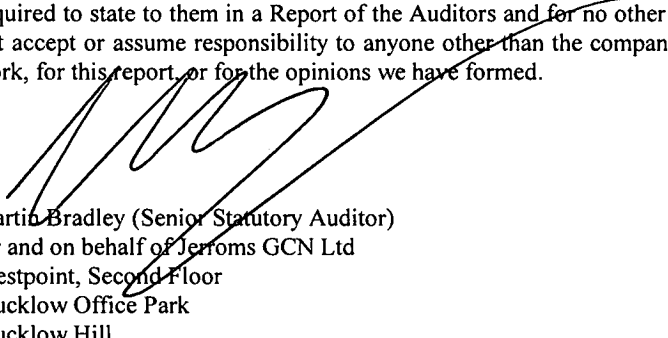
A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' Report.

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 Report of the Auditors.

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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 a Report of the Auditors 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.



Martin Bradley (Senior Statutory Auditor)
for and on behalf of Jerroms GCN Ltd
Westpoint, Second Floor
Mucklow Office Park
Mucklow Hill
Halesowen
West Midlands
B62 8DY

20 December 2022

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

**STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Notes	2021 £	2020 £
TURNOVER	3	1,868,919	2,300,032
Cost of sales		<u>(516,715)</u>	<u>(589,347)</u>
GROSS PROFIT		1,352,204	1,710,685
Administrative expenses		<u>(749,875)</u>	<u>(927,321)</u>
		602,329	783,364
Other operating income		<u>2,976</u>	<u>9,231</u>
OPERATING PROFIT	5	605,305	792,595
Exceptional item	6	(152,246)	-
Profit/(Loss) on sale of Fixed Assets	6	<u>231,137</u>	<u>(155,255)</u>
		684,196	637,340
Interest receivable and similar income	7	<u>23,012</u>	<u>8,740</u>
		707,208	646,080
Gain/loss on revaluation of investments		<u>(308,874)</u>	<u>-</u>
		398,334	646,080
Interest payable and similar expenses	8	<u>(498)</u>	<u>(498)</u>
PROFIT BEFORE TAXATION		397,836	645,582
Tax on profit	9	<u>(24,617)</u>	<u>(122,661)</u>
PROFIT FOR THE FINANCIAL YEAR		373,219	522,921
OTHER COMPREHENSIVE (LOSS)/INCOME			
Revaluation - Investments		-	600,000
Transfer following sale of property		(231,137)	-
Income tax relating to components of other comprehensive (loss)/income		<u>43,916</u>	<u>-</u>
OTHER COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR, NET OF INCOME TAX		(187,221)	600,000
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		185,998	1,122,921

The notes form part of these financial statements

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

**STATEMENT OF COMPREHENSIVE
INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021**

2021	2020
£	£
<u> </u>	<u> </u>

The notes form part of these financial statements

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED (REGISTERED NUMBER: 02028357)**

**STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2021**

	Notes	2021 £	2020 £
FIXED ASSETS			
Tangible assets	10	619,956	2,020,426
Investments	11	1,291,126	1,600,000
		<u>1,911,082</u>	<u>3,620,426</u>
CURRENT ASSETS			
Stocks	12	71,277	87,297
Debtors	13	3,057,324	1,445,497
Cash in hand		15	66
		<u>3,128,616</u>	<u>1,532,860</u>
CREDITORS			
Amounts falling due within one year	14	(251,433)	(445,177)
NET CURRENT ASSETS		<u>2,877,183</u>	<u>1,087,683</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,788,265	4,708,109
CREDITORS			
Amounts falling due after more than one year	15	-	(1,899)
PROVISIONS FOR LIABILITIES	17	(21,893)	(125,836)
NET ASSETS		<u><u>4,766,372</u></u>	<u><u>4,580,374</u></u>
CAPITAL AND RESERVES			
Called up share capital	18	1,054,000	1,054,000
Revaluation reserve	19	-	787,221
Capital redemption reserve	19	6,000	6,000
Profit and loss account	19	3,706,372	2,733,153
SHAREHOLDERS' FUNDS		<u><u>4,766,372</u></u>	<u><u>4,580,374</u></u>

The financial statements were approved by the director and authorised for issue on 20 December 2022 and were signed by:



P T Brown - Director

The notes form part of these financial statements

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

	Called up share capital £	Profit and loss account £	Revaluation reserve £	Capital redemption reserve £	Total equity £
Balance at 1 January 2020	1,054,000	2,210,232	187,221	6,000	3,457,453
Changes in equity					
Total comprehensive income	-	522,921	600,000	-	1,122,921
Balance at 31 December 2020	<u>1,054,000</u>	<u>2,733,153</u>	<u>787,221</u>	<u>6,000</u>	<u>4,580,374</u>
Changes in equity					
Total comprehensive income	-	973,219	(787,221)	-	185,998
Balance at 31 December 2021	<u><u>1,054,000</u></u>	<u><u>3,706,372</u></u>	<u><u>-</u></u>	<u><u>6,000</u></u>	<u><u>4,766,372</u></u>

The notes form part of these financial statements

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

1. STATUTORY INFORMATION

Aalberts Surface Treatment Tamworth Limited is a private company, limited by shares, registered in England and Wales. The company's registered number and registered office address can be found on the Company Information page.

2. ACCOUNTING POLICIES

General information and basis of accounting

Aalberts Surface Treatment Tamworth Limited is a company incorporated in the United Kingdom under the Companies Act. The address of the registered office is given on page 1. The nature of the Company's operations and its principal activity is set out in the report of the director on pages 2 to 3.

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of certain fixed assets at market value and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council.

The functional currency of the Company is considered to be pounds sterling because that is the currency of the primary economic environment in which the Company operates.

The Company has taken advantage of the disclosure exemption available to it in respect of its separate financial statements. Included is the exemption of having to prepare consolidated financial statements in accordance with Section 400 of the Companies Act 2016.

Going concern

The company has began relocation to another group company facility in the year and this was completed in 2021. The transition process has been smooth with little impact on business trading. Therefore the directors consider it appropriate to use the going concern basis of preparation.

Financial Reporting Standard 102 - reduced disclosure exemptions

The company has taken advantage of the following disclosure exemptions in preparing these financial statements, as permitted by FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" as it is a qualifying entity:

- the requirements of Section 7 Statement of Cash Flows;
- the requirements of Section 11 Financial Instruments paragraphs 11.41(b), 11.41(c), 11.41(e), 11.41(f), 11.42, 11.44, 11.45, 11.47, 11.48(a)(iii), 11.48(a)(iv), 11.48(b) and 11.48(c);
- the requirement of Section 33 Related Party Disclosures paragraph 33.7.

Please refer to note 21 for details of where group accounts including full disclosures can be obtained.

Turnover

Turnover is measured at the fair value of the consideration received or receivable, for services excluding value added tax. Turnover is recognised at the point the services are completed and the treated goods are available for collection by the customer.

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

2. ACCOUNTING POLICIES - continued

Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets at rates calculated to write off the cost, less estimated residual value, of each asset over its expected useful life, depreciation rates as follows:

Plant and machinery	- 33%, 20% and 10% on cost, 10% and 5% on reducing balance
Fixtures and fittings	- 20% on cost and 5% on reducing balance
Motor vehicles	- 30% on reducing balance

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already of the age and in the condition expected at the end of its useful life.

No depreciation is provided on freehold property, as in the opinion of the director, the life of the asset is so long and residual value is so high that any element of depreciation is not material.

Investments in subsidiaries

Investments in subsidiary undertakings are recognised at fair value with changes in fair value recognised in other comprehensive income.

Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to sell, which is equivalent to the net realisable value. Cost is calculated using the FIFO (first-in, first-out) method. Provision is made for obsolete, slow-moving or defective items where appropriate.

Financial instruments

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

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the statement of financial position when, and only when there exists a legally enforceable right to set off the recognised amounts and the Company intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the company transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the company, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

2. ACCOUNTING POLICIES - continued

Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Company intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Research and development

Expenditure on research and development is written off in the year in which it is incurred.

Foreign currencies

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the statement of financial position date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter.

The interest element of these obligations is charged to profit or loss over the relevant period. The capital element of the future payments is treated as a liability.

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

Pension costs and other post-retirement benefits

The company operates a defined contribution pension scheme. Contributions payable to the company's pension scheme are charged to profit or loss in the period to which they relate.

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

2. ACCOUNTING POLICIES - continued

Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below.

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

For financial assets carried at amortised cost, the amount of impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

2. ACCOUNTING POLICIES - continued

Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the director is 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.

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.

There are no critical accounting judgements which need to be brought to the attention of the users of these financial statements.

Key sources of estimation uncertainty are:

Fair value measurement of Investment

The Company has reviewed the carrying value of the subsidiary, Aalberts Surface Technologies OCT Limited, at the balance sheet date. The carrying value is considered to represent the fair value of the subsidiary by the director. As fair value measurements contain an element of subjectivity and include estimates, judgements and assumptions there is an inherent uncertainty in relation to the estimate. However, the director is considered informed management and the valuation is strictly based on the director's best judgement.

Other estimates, assumptions and judgements are applied by the company. These include, but are not limited to, cost of sales, general overhead expenditure and provisions. These estimates, assumptions and judgements are also evaluated on a continual basis but are not significant.

3. TURNOVER

The turnover and profit before taxation are attributable to the one principal activity of the company.

An analysis of turnover by class of business is given below:

	2021	2020
	£	£
Services	1,868,919	2,300,032
	<u>1,868,919</u>	<u>2,300,032</u>

An analysis of turnover by geographical market is given below:

	2021	2020
	£	£
United Kingdom	1,773,571	2,183,120
Europe	39,109	66,071
Rest of World	56,239	50,841
	<u>1,868,919</u>	<u>2,300,032</u>

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

4. EMPLOYEES AND DIRECTORS

	2021	2020
	£	£
Wages and salaries	477,245	542,303
Social security costs	11,415	15,860
Other pension costs	4,361	4,752
	<u>493,021</u>	<u>562,915</u>

The average number of employees during the year was as follows:

	2021	2020
Administration	4	5
Production	4	10
Sales	2	2
	<u>10</u>	<u>17</u>

	2021	2020
	£	£
Director's remuneration	<u>30,000</u>	<u>30,000</u>

5. OPERATING PROFIT

The operating profit is stated after charging:

	2021	2020
	£	£
Depreciation - owned assets	79,266	99,167
Depreciation - assets on hire purchase contracts	1,450	1,451
Auditors' remuneration	3,000	-
Foreign exchange differences	802	3,030
Carrying amount of stock sold	<u>212,371</u>	<u>233,813</u>

6. EXCEPTIONAL ITEMS

	2021	2020
	£	£
Exceptional item	(152,246)	-
Profit/(Loss) on sale of Fixed Assets	<u>231,137</u>	<u>(155,255)</u>
	<u>78,891</u>	<u>(155,255)</u>

Included within exceptional items are the costs associated to the relocation of business from it's Tamworth location to Kirby-In-Ashfield. The total is made up of redundancy costs of £56,544 and other relocation and decommissioning costs of £95,702. The profit on sale of fixed assets relates to the gains made on the sale of the organisations owned land and buildings.

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

7. INTEREST RECEIVABLE AND SIMILAR INCOME

	2021	2020
	£	£
Deposit account interest	23,012	7,964
Other interest received	-	776
	<u>23,012</u>	<u>8,740</u>

Interest receivable relates to interest earned on the company's cash pooling account balance with group.

8. INTEREST PAYABLE AND SIMILAR EXPENSES

	2021	2020
	£	£
Hire purchase	<u>498</u>	<u>498</u>

9. TAXATION

Analysis of the tax charge

The tax charge on the profit for the year was as follows:

	2021	2020
	£	£
Current tax:		
UK corporation tax	84,644	157,585
Deferred tax	<u>(60,027)</u>	<u>(34,924)</u>
Tax on profit	<u>24,617</u>	<u>122,661</u>

Reconciliation of total tax charge included in profit and loss

The tax assessed for the year is lower than the standard rate of corporation tax in the UK. The difference is explained below:

	2021	2020
	£	£
Profit before tax	<u>397,836</u>	<u>645,582</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2020 - 19%)	75,589	122,661
Effects of:		
Expenses not deductible for tax purposes	58,686	-
Capital allowances in excess of depreciation	(5,715)	-
Depreciation in excess of capital allowances	-	5,426
Origination and reversal of temporary differences	(60,027)	(34,924)
Exceptional items	<u>(43,916)</u>	<u>29,498</u>
Total tax charge	<u>24,617</u>	<u>122,661</u>

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

9. TAXATION - continued

Tax effects relating to effects of other comprehensive income

	Gross £	2021 Tax £	Net £
Revaluation - Investments			
Transfer following sale of property	(231,137)	43,916	(187,221)
	<u>(231,137)</u>	<u>43,916</u>	<u>(187,221)</u>
	Gross £	2020 Tax £	Net £
Revaluation - Investments	600,000	-	600,000
	<u>600,000</u>	<u>-</u>	<u>600,000</u>

Factors that may affect future tax charges

Changes in the rates of corporation tax and the rates at which capital allowances are available to the company are the primary factors that the director considers may affect future tax charges. The Corporation Tax rate is 19%, the rate has been used to measure the deferred tax liabilities and assets as at 31 December 2021.

Factors affecting tax charge for year

Other than expenses disallowed for tax purposes, permanent timing differences and deferred tax, there are no factors that affected the tax charge for the year, which has been calculated on the losses on ordinary activities before tax at the standard rate of corporation tax in the UK.

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures, fittings & equipment £	Fixtures and fittings £	Totals £
COST				
At 1 January 2021	1,607,000	749,115	41,192	2,397,307
Additions	-	287,246	-	287,246
Disposals	(1,607,000)	-	-	(1,607,000)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	1,036,361	41,192	1,077,553
	<hr/>	<hr/>	<hr/>	<hr/>
DEPRECIATION				
At 1 January 2021	-	362,734	14,147	376,881
Charge for year	-	76,967	3,749	80,716
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2021	-	439,701	17,896	457,597
	<hr/>	<hr/>	<hr/>	<hr/>
NET BOOK VALUE				
At 31 December 2021	-	596,660	23,296	619,956
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2020	1,607,000	386,381	27,045	2,020,426
	<hr/>	<hr/>	<hr/>	<hr/>

Fixed assets, included in the above, which are held under hire purchase contracts are as follows:

	Fixtures, fittings & equipment £
COST	
At 1 January 2021 and 31 December 2021	14,499
	<hr/>
DEPRECIATION	
At 1 January 2021	7,371
Charge for year	1,450
	<hr/>
At 31 December 2021	8,821
	<hr/>
NET BOOK VALUE	
At 31 December 2021	5,678
	<hr/>
At 31 December 2020	7,128
	<hr/>

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

11. FIXED ASSET INVESTMENTS

	Shares in group undertaking £
COST OR VALUATION	
At 1 January 2021	1,600,000
Revaluations	(308,874)
	<hr/>
At 31 December 2021	1,291,126
	<hr/>
NET BOOK VALUE	
At 31 December 2021	1,291,126
	<hr/>
At 31 December 2020	1,600,000
	<hr/>

Cost or valuation at 31 December 2021 is represented by:

	Shares in group undertaking £
Valuation in 2016	(1,121,845)
Valuation in 2020	600,000
Valuation in 2021	(308,874)
Cost	2,121,845
	<hr/>
	1,291,126
	<hr/>

The original cost of the investment in Aalberts Surface Technologies OCT Limited was £2,121,845 on 02 January 2014. The valuation of this investment was reduced to £1,000,000 following an impairment review in 2016.

The accounting policy to recognise investments at fair value with changes recognised through other comprehensive income was adopted in the year ended 31 December 2020.

The value of the investment at the year ended 31 December 2021 was revalued to £1,291,126.

The Director considers the carrying value of the subsidiary to represent its fair value as at 31 December 2021.

The company's investments at the Statement of Financial Position date in the share capital of companies include the following:

Aalberts Surface Technologies OCT Limited

Registered office: Unit 8 Lagrange, Tamworth, Staffordshire, United Kingdom, B79 7XD

Nature of business: Optical Lens Coating

	%
Class of shares:	holding
Ordinary	100.00

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

12. STOCKS

	2021	2020
	£	£
Raw materials	<u>71,277</u>	<u>87,297</u>

There is no material difference between the carrying value of stocks and their replacement cost.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Trade debtors	348,452	328,597
Amounts owed by group undertakings	2,708,872	1,087,467
Other debtors	-	15,686
Prepayments and accrued income	-	13,747
	<u>3,057,324</u>	<u>1,445,497</u>

The payment terms of amounts owed by group undertakings are under normal trading conditions, being 60 days and non interest bearing.

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021	2020
	£	£
Hire purchase contracts (see note 16)	1,899	2,071
Trade creditors	63,288	106,394
Amounts owed to group undertakings	71,170	64,755
Tax	5,852	79,293
Social security and other taxes	6,214	14,789
VAT	58,044	146,655
Accruals and deferred income	44,966	31,220
	<u>251,433</u>	<u>445,177</u>

The payment terms of amounts owed to group undertakings are under normal trading conditions, being 60 days and non interest bearing. Included within 'amounts owed to group undertakings' is an amount due to the ultimate parent company, Aalberts N.V. of £1,599 (2020: £2,502).

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021	2020
	£	£
Hire purchase contracts (see note 16)	<u>-</u>	<u>1,899</u>

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

16. LEASING AGREEMENTS

Minimum lease payments fall due as follows:

	Hire purchase contracts	
	2021	2020
	£	£
Net obligations repayable:		
Within one year	1,899	2,071
Between one and five years	-	1,899
	<u>1,899</u>	<u>3,970</u>
	Non-cancellable operating leases	
	2021	2020
	£	£
Within one year	17,843	17,843
Between one and five years	7,037	24,880
	<u>24,880</u>	<u>42,723</u>

The operating lease payments recognised as an expense for 2021 total £17,843 (2020: £29,841).

17. PROVISIONS FOR LIABILITIES

	2021	2020
	£	£
Deferred tax	<u>21,893</u>	<u>125,836</u>
		Deferred tax
		£
Balance at 1 January 2021		125,836
Credit to Statement of Comprehensive Income during year		(43,916)
Accelerated capital allowances		<u>(60,027)</u>
Balance at 31 December 2021		<u>21,893</u>

The deferred tax balance at 31 December 2021 consists solely of accelerated capital allowances.

Deferred tax assets and liabilities are offset only where the Company has a legally enforceable right to do so and where the assets and liabilities relate to income taxes levied by the same taxation authority on the same taxable entity or another entity within the Company.

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

18. CALLED UP SHARE CAPITAL

Allotted, issued and fully paid:		Nominal value:	2021 £	2020 £
Number:	Class:			
1,054,000	Ordinary A	£1	<u>1,054,000</u>	<u>1,054,000</u>

19. RESERVES

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

The revaluation reserve relates to historic revaluations of the investment in Aalberts Surface Technologies OCT Limited. The brought forward revaluation reserve has been transferred to retained earnings in the year.

The capital redemption reserve relates to the purchase of own shares being 6,000 ordinary B shares on 1 August 1997.

20. PENSION COMMITMENTS

The pension cost charge represents contributions payable to the employees pension scheme, which amounted to £8,499 (2020: £11,992).

21. RELATED PARTY DISCLOSURES

The company has taken advantage of exemption, under the terms of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', not to disclose related party transactions with wholly owned subsidiaries within the group.

22. POST BALANCE SHEET EVENTS

The company has completed its physical relocation to a sister facility in Kirby in Ashfield, Nottingham. Most of the customers of the company have since merged with those of the sister company, with the intention that it will be fully merged during 2023 and will not conclude any sales or purchases beyond the completion date of the full merger.

**AALBERTS SURFACE TREATMENT TAMWORTH
LIMITED**

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

23. ULTIMATE CONTROLLING PARTY

The company's ultimate parent undertaking and controlling party at the statement of financial position date was Aalberts, a company incorporated in the Netherlands. The group financial statements are publicly available from Aalberts. The registered office of Aalberts is World Trade Center Utrecht, Stadsplateau 18, NL-3521 AZ Utrecht, PO Box 1218, NL-3500 BE Utrecht, The Netherlands.

The parent of the smallest group for which consolidated financial statements are drawn up and available at the registered office below is Impreglon GmbH, Kerpen, of which Aalberts Surface Treatment Tamworth Limited is a member. The parent of the largest group in which the financial statements are consolidated is the ultimate parent, Aalberts.

The registered office of Impreglon GmbH, Kerpen is as follows:

Impreglon GmbH, Kerpen
Hohenhorststr.1
DE-21337
Lueneburg
Germany

24. PRINCIPAL PLACE OF BUSINESS

The address of the company's principal place of business and registered office is:

Field Industrial Estate
Clover Street
Kirkby-In-Ashfield
Nottingham
NG17 7LJ