

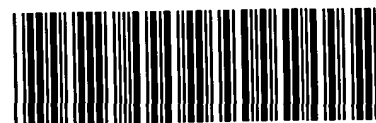
Registered number: 13047532

# **GKN Aerospace Civil Services Limited**

## **Annual Report and Financial Statements**

For the year ended 31 December 2022

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# **GKN Aerospace Civil Services Limited**

## **Strategic Report**

For the year ended 31 December 2022

The Directors present the Strategic Report for the year ending 31 December 2022.

### **Principal activity**

The Company will act as an investment holding company. The Directors do not expect any change in this activity in the foreseeable future.

### **Business Review**

The Company has not traded, but On 4 July 2022 the Company invested £2.5 million for a 40% interest in the registered capital of a new Chinese incorporated company, Kaifei Aerospace Manufacturing Co Ltd.

The company shows a loss of £0.1million (2021: £Nil), primarily due to interest payable on loan balance from a subsidiary of Melrose Industries PLC in 2022.

### **Principal Risks and Uncertainties**

The company's activities expose it to risks including liquidity risks.

#### **Liquidity risk**

To maintain liquidity and ensure that sufficient funds are available for operations and future developments, the Company ensures regular communication with other Group companies.


### **Going concern**

The financial statements have been prepared on a going concern basis. The Company's forecasts show that the Company expects to be able to continue to operate for the next 12 months from the date of the approval of these financial statements.

The Company is an indirect subsidiary of Melrose Industries PLC, a global manufacturing and engineering group. The 2022 Annual Report of Melrose Industries PLC disclosed there was significant liquidity headroom of £2.6 billion at 31 Dec 2022 and sufficient headroom throughout its going concern forecast period.

Further details regarding the adoption of the going concern basis can be found in the accounting policies in the financial statements.

Approved by the Board on 29 September 2023 and signed on its behalf by:



D Laven  
Director  
GKN Aerospace Civil Services Limited  
Registration number: 13047532

# GKN Aerospace Civil Services Limited

## 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. An indication of likely future developments in the business of the Company is included in the Strategic Report. Information on the financial risk management and going concern are also included in the Strategic Report.

### Directors of the Company

The Directors who held office during the period and up to the date of signing the financial statements are as follows:

GE Barnes  
JCF Crawford  
D Laven  
GD Morgan  
JDC Pritchard  
MJ Richards

No Director had a beneficial interest in the share capital of the Company. Four Directors (GE Barnes, JCF Crawford, GD Morgan and MJ Richards) as at 31 December 2022 held shares in Melrose Industries PLC, the ultimate parent company and controlling party, and therefore had an indirect beneficial interest in the Company.

### Dividends

The Directors do not recommend the payment of a final dividend in respect of the financial period. There was no interim dividend payment for the period ended 31 December 2022.

### Directors' indemnities

Pursuant to the Company's Articles of Association, the Company has indemnified the Directors of the Company and persons who were Directors of the Company in respect of costs of defending claims against them and third party liabilities. These provisions, deemed to be qualifying third party indemnity provisions pursuant to section 234 of the Companies Act 2006, were in force during the period ended 31 December 2022 and are in force at the date of this Directors' report. The indemnity provision in the Company's Articles of Association also extends to provide a limited indemnity in respect of liabilities incurred as a director, secretary or officer of an associated company of the Company. A copy of the Company's Articles of Association is available for inspection at the Company's registered office during normal business hours.

Approved by the Board on 29 September 2023 and signed on its behalf by:



D Laven  
Director  
GKN Aerospace Civil Services Limited  
Registration number: 13047532

# **GKN Aerospace Civil Services Limited**

## **Statement of Directors' Responsibilities**

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial period. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# GKN Aerospace Civil Services Limited

## Income Statement

For the year ended 31 December 2022

	Note	2022	2021
		£	£
Operating (loss)/profit		-	-
Interest payable and similar expenses	3	(55,238)	-
<b>Profit before taxation</b>		<b>(55,238)</b>	<b>-</b>
Tax on profit		-	-
<b>Profit / (loss) for the financial year</b>		<b>(55,238)</b>	<b>-</b>

## GKN Aerospace Civil Services Limited

### Statement of Changes in Equity

For the year ended 31 December 2022

	Share capital £	Retained earnings £	Total equity £
At 27 November 2020	-	-	-
Shares issued on incorporation	1	-	1
Profit for the period	-	-	-
<b>At 31 December 2021</b>	<b>1</b>	<b>-</b>	<b>1</b>
Profit / (loss) for the period		(55,238)	
<b>At 31 December 2022</b>	<b>1</b>	<b>(55,238)</b>	<b>1</b>

# GKN Aerospace Civil Services Limited (Registered number: 13047532)

## Balance Sheet

As at December 2022

	Note	2022 £	2021 £
<b>Non-current assets</b>			
Investment in subsidiary	4	<u>2,472,748</u>	<u>-</u>
		2,472,748	-
<b>Current assets</b>			
Trade and other receivables	5	<u>1</u>	<u>1</u>
Creditors falling due within one year	6	<u>(55,238)</u>	<u>-</u>
<b>Net current assets</b>		(55,237)	1
<b>Total assets less current liabilities</b>		2,417,511	1
Creditors: amounts falling due after more than one year	7	<u>(2,472,748)</u>	<u>-</u>
<b>Net assets</b>		<u>(55,237)</u>	<u>1</u>
<b>Capital and reserves</b>			
Called up share capital	8	<u>1</u>	<u>1</u>
Profit and loss account		<u>(55,238)</u>	<u>-</u>
<b>Shareholders' funds</b>		<u>(55,237)</u>	<u>1</u>

For the year ended 31 December 2022, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The accounts have been prepared in accordance with the micro-entity provisions.

The financial statements were approved by the Board of Directors and authorised for issue on 29 September 2023. They were signed on its behalf by:

  
D Laven  
Director  
GKN Aerospace Civil Services Limited  
Registration number: 13047532

## **Notes to the Financial Statements**

For the period ended 31 December 2022

### **1 Accounting policies and presentation**

GKN Aerospace Civil Services Limited is a private company limited by shares and is incorporated and domiciled in the UK, and registered in England and Wales with the registered number 13047532. Its registered office is 2nd Floor, One Central Boulevard, Blythe Valley Park, Shirley, Solihull, B90 8BG.

The Company's significant accounting policies are summarised below. They have been consistently applied throughout the period presented.

#### **Basis of preparation**

The Company meets the definition of a qualifying entity under FRS 100 'Application of Financial Reporting Requirements' issued by the FRC. Accordingly, these financial statements were prepared in accordance with FRS 101 'Reduced Disclosure Framework'.

The financial statements have been prepared on the historical cost basis, except where other measurement bases are required to be applied under IFRS as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for the goods and services.

#### **Summary of disclosure exemptions**

As permitted by FRS 101 and where relevant, the Company has taken advantage of the disclosure exemptions available under that standard in relation to financial instruments, capital management, presentation of comparative information in respect of certain assets, presentation of a cash-flow statement, standards not yet effective, impairment of assets and related party transactions. Where required, equivalent disclosures are given in the group financial statements of Melrose Industries PLC, which are available to the public and can be obtained from 11th Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, B4 6AT.

#### **Going concern**

The financial statements have been prepared on a going concern basis. The Company's forecasts show that the Company expects to be able to continue to operate for the next 12 months from the date of the approval of these financial statements.

The Company is an indirect subsidiary of Melrose Industries PLC, a global manufacturing and engineering group. The 2022 Annual Report of Melrose Industries PLC disclosed there was significant liquidity headroom of £2.6 billion at 31 Dec 2022 and sufficient headroom throughout its going concern forecast period.

#### **New standards, interpretations and amendments effective**

None of the new standards, interpretations and amendments adopted during the period have had any impact on the financial statements of the Company.

#### **Investments**

Investments in subsidiaries are stated at cost less provision for impairment. Dividend income from investments is recognised when the shareholders' rights to receive payment have been established (provided that it is probable that the economic benefits will flow to the Company and the amount can be measured reliably).

#### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the Company's accounting policies, 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.

The Directors do not consider there are any critical accounting judgements or sources of estimation uncertainty within these financial statements.



**Notes to the Financial Statements**

For the period ended 31 December 2022

**2 Employees, including Directors**

The Company had no employees during the period.

The Directors' emoluments for the period are disclosed in accordance with the Companies Act 2006. Emoluments are apportioned for the services provided by the Directors to the Company. The emoluments of the Directors of the Company for their services to the Company amounted to £nil. Retirement benefits accruing to the Directors of the Company for their services to the Company amounted to £nil.

**3 Interest payable and similar expenses**

	£	£
	2022	2021
Interest on amount owed to Group undertaking	(52,004)	-
Bank interest payable	(3,234)	-
	<u>(55,238)</u>	<u>-</u>

**4 Investment in subsidiary**

	£	£
	At 31 December 2022	At 31 December 2021
Cost and Net book value	2,472,748	-

On 4 July 2022 the Company invested £2.5 million for a 40% interest in the registered capital of a new Chinese incorporated company, Kaifei Aerospace Manufacturing Co Ltd. The principal activities of the company will be the manufacture of aerospace products. Investment in subsidiary undertakings are not impaired at 31 December 2021

**5 Trade and other receivables**

	£	£
	2022	2021
Amounts owed by Group undertakings	1	1

Amounts owed by Group undertakings are unsecured, accumulate interest in a range between 0% and 1.7%, have no fixed date of repayment and are repayable on demand.

**6 Creditors : amounts falling due within one year**

	£	£
	2022	2021
Bank overdraft	(3,234)	-
Interest on amount owed to Group undertaking	(52,004)	-
	<u>(55,238)</u>	<u>-</u>

The bank overdraft is unsecured, and the liability was settled on 9th March 2023. The interest owed to Group undertakings is also unsecured. The accumulated interest on the amount is charged at 4.35%, have no fixed date of repayment and are repayable on demand.

## **GKN Aerospace Civil Services Limited (Registered number: 13047532)**

### **7 Creditors: amounts falling due after more than one year**

	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Amount owed to Group Undertaking	(2,472,748)	-

The amount owed to Group Undertakings is an unsecured loan from GKN Enterprise Limited with a maturity date of 31<sup>st</sup> December 2025.

### **8 Share capital**

	<u>Issued and fully paid</u>	
	<b>2022</b>	<b>2021</b>
	<b>£</b>	<b>£</b>
Ordinary shares of £1 each	1	1

### **9 Controlling parties**

The immediate parent is GKN Aerospace Civil Services Holdings Limited.

The parent of the smallest and largest group in which these financial statements are consolidated is Melrose Industries PLC. Consolidated financial statements of Melrose Industries PLC are available from 11th Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, B4 6AT, which is also the registered office of the Company.