

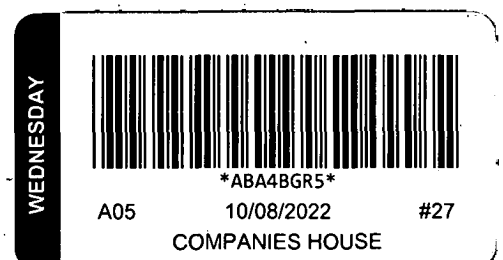
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Company Registration: FC 021049

## HARRIER LLC

### FINANCIAL STATEMENTS

FOR THE PERIOD ENDED 31 DECEMBER 2021



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**HARRIER LLC**

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## HARRIER LLC

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### COMPANY INFORMATION

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**DIRECTORS**

C J Hughes  
N D Cohen  
K Sturn  
A Steinman (resigned 13th April 2021)  
S D Jones (appointed 13th April 2021)  
D M Harley (appointed 13th April 2021)

**REGISTERED NUMBER**

FC 021049

**REGISTERED OFFICE**

10501 Rhode Island Avenue  
Beltsville  
Maryland  
USA  
MD20705

**ADMINISTRATION OFFICE**

Harrier LLC  
York Laboratories  
Brunel Road  
Newton Abbot  
TQ12 4UH

**INDEPENDENT AUDITOR**

PKF Francis Clark  
Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
TQ2 7FF

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## HARRIER LLC

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### INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF HARRIER LLC

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#### Harrier LLC

#### Independent Auditor's Report to the Members of Harrier LLC

##### Opinion

We have audited the financial statements of Harrier LLC (the 'parent company') and its subsidiaries (the 'group') for the period ended 31 December 2021, which comprise the Company Profit and Loss Account, the Company Balance sheet, the Consolidated Profit and Loss Account, the Consolidated Balance Sheet, and Notes to the Financial Statements, including a summary of significant accounting policies which have been prepared in accordance with the accounting policies set out in note 1.

In our opinion, the accompanying financial statements of the parent company and group are prepared, in all material aspects, in accordance with the accounting set out in note 1.

##### Basis for opinion

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

##### Conclusions relating to going concern

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 group or parent company's ability to continue as a going concern for a period of at least twelve months from when the original financial statements were 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.

##### Other information

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

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

We have nothing to report in this regard.

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## HARRIER LLC

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### INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF HARRIER LLC (continued)

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#### Harrier LLC

#### Independent Auditor's Report to the Members of Harrier LLC

##### **Responsibilities of directors**

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 and parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

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

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

As part of our audit planning, we obtained an understanding of the legal and regulatory framework that is applicable to the group. We gained an understanding of the group and the industry in which the group operates as part of this assessment to identify the key laws and regulations affecting the group. The key laws and regulations we identified were health and safety regulations and The General Data Protection Regulations ("GDPR"). We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as The Companies Act 2006, The Overseas Companies Regulations 2009 and relevant tax legislation.

We discussed with management how the compliance with these laws and regulations is monitored and obtained copies of the key policies and procedures in place. We also identified the individuals who have responsibility for ensuring that the group complies with laws and regulations and deals with reporting any issues if they arise. As part of our planning procedures, we assessed the risk of any non-compliance with laws and regulations on the group's ability to continue trading and the risk of material misstatement to the accounts.

We also evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements and determined that the principal risks were related to the overstatement of profit, either through overstating revenue, understating expenditure or management bias in accounting estimates. In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override.

Based on this understanding we designed our audit procedures to identify irregularities. Our procedures involved the following:

- Enquiries to members of senior management, regarding their knowledge of any non-compliance or potential non-compliance with laws and regulations that could affect the financial statements;
- Review of minutes of meetings of senior management, and those charged with governance;
- Review of any health and safety incidents which have been reported under The Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 ("RIDDOR") during the period;

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## HARRIER LLC

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### INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF HARRIER LLC (continued)

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#### Harrier LLC

#### Independent Auditor's Report to the Members of Harrier LLC

- Review of the group's controls in relation to GDPR and enquiries to senior management as to the occurrence and outcome of any reportable breaches;
- Challenging assumptions and judgements made by management in its significant accounting estimates;
- Review of the design and implementation of managements' controls designed to prevent and detect irregularities;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness, and evaluating the business rationale of significant transactions outside the normal course of business;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations; and
- Reviewing draft tax computations and involving the use of our specialists as required.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements. This risk increases the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements as we are less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment, collusion, omission or misrepresentation.

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

#### Use of our report

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

*PKF Francis Clark*

Christopher Hicks BA FCA DChA (Senior Statutory Auditor)  
PKF Francis Clark, Statutory Auditor

Sigma House  
Oak View Close  
Edginswell Park  
Torquay  
Devon  
TQ2 7FF

Date:

*21 February 2022*

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## HARRIER LLC

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### CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE PERIOD ENDED 31 DECEMBER 2021

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|   | Note | Period ended<br>31 December 2021<br>£ | Period ended<br>02 January 2021<br>£ |
|---|------|---------------------------------------|--------------------------------------|
| Turnover  | 3    | 77,937,841                            | 88,341,400                           |
| Cost of Sales   |      | (65,209,030)                          | (68,544,757)                         |
| <b>Gross profit</b>   |      | <b>12,728,811</b>                     | <b>19,796,643</b>                    |
| Sales and distribution costs                                |      | (547,422)                             | (746,050)                            |
| Administrative expenses                                     |      | (6,732,561)                           | (7,468,539)                          |
| <b>Profit from operations before other operating income</b> |      | <b>5,448,828</b>                      | <b>11,582,054</b>                    |
| Other operating income                                      | 4    | 1,844,921                             | 2,390,543                            |
| Interest receivable   |      | 59,146                                | 72,669                               |
| Interest payable  |      | (12,238)                              | (624)                                |
| <b>Profit before tax</b>                                    |      | <b>7,340,657</b>                      | <b>14,044,642</b>                    |
| Taxation  | 7    | (1,145,238)                           | (2,027,087)                          |
| <b>Profit for the period</b>                                |      | <b>6,195,419</b>                      | <b>12,017,555</b>                    |

All amounts relate to continuing activities.

The notes on pages 10 to 23 form part of these financial statements.

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**HARRIER LLC**

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**CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME**  
**FOR THE PERIOD ENDED 31 DECEMBER 2021**

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|  | Period ended<br>31 December 2021<br>£ | Period ended<br>02 January 2021<br>£ |
|--|---------------------------------------|--------------------------------------|
| Profit for the period                          | 6,195,419                             | 12,017,555                           |
| Unrealised (loss)/gain on currency translation | 6,115                                 |                                      |
| Total comprehensive income for the period      | <u>6,201,534</u>                      | <u>12,017,555</u>                    |



# HARRIER LLC


## CONSOLIDATED BALANCE SHEET FOR THE PERIOD ENDED 31 DECEMBER 2021

Company number FC 021049

|  |      | 31 December 2021  | 02 January 2021   |
|--|------|-------------------|-------------------|
|  | Note | £                 | £                 |
| <b>Fixed assets</b>                                  |      |                   |                   |
| Intangible assets                                    | 9    | -                 | -                 |
| Tangible assets                                      | 10   | 14,358,575        | 13,151,372        |
|  |      | <u>14,358,575</u> | <u>13,151,372</u> |
| <b>Non current assets</b>                            |      |                   |                   |
| Investments  | 11   | 2,191,341         | 2,254,218         |
| Other Loan due after one year                        | 12   | 597,541           | 828,084           |
|  |      | <u>2,788,882</u>  | <u>3,082,302</u>  |
| <b>Current assets</b>                                |      |                   |                   |
| Stocks   | 13   | 5,422,461         | 7,505,678         |
| Debtors due within one year                          | 14   | 19,496,911        | 22,110,773        |
| Cash at bank and in hand                             |      | 11,992,438        | 15,423,761        |
|  |      | <u>36,911,810</u> | <u>45,040,212</u> |
| <b>Total assets</b>                                  |      | <u>54,059,267</u> | <u>61,273,886</u> |
| <b>Current liabilities</b>                           |      |                   |                   |
| Creditors: amounts falling due in less than one year | 15   | (16,709,116)      | (24,218,866)      |
| <b>Net current Assets</b>                            |      | <u>37,350,151</u> | <u>37,055,020</u> |
| <b>Non current liabilities</b>                       |      |                   |                   |
| Creditors: amounts falling due in more than one year | 16   | (519,967)         | -                 |
| <b>NET ASSETS</b>                                    |      | <u>36,830,184</u> | <u>37,055,020</u> |
| <b>Share capital</b>                                 |      |                   |                   |
| Initial members' capital                             | 17   | 636,670           | 636,670           |
| Profit and loss account                              | 19   | 36,193,514        | 36,418,350        |
| <b>TOTAL EQUITY</b>                                  | 20   | <u>36,830,184</u> | <u>37,055,020</u> |

The financial statements were approved by the board of directors and authorised for issue on

21/02/2022

  
S Jones ACMA MA BSC  
Director

The notes on pages 10 to 23 form part of these financial statements.

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**HARRIER LLC**

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**COMPANY PROFIT AND LOSS ACCOUNT  
FOR THE PERIOD ENDED 31 DECEMBER 2021**

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|   |      | Period ended<br>31 December 2021 | Period ended<br>02 January 2021 |
|---|------|----------------------------------|---------------------------------|
|   | Note | £                                | £                               |
| <b>Turnover</b>   | 3    | 59,209,324                       | 71,421,897                      |
| Cost of Sales   |      | (49,595,636)                     | (55,068,710)                    |
| <b>Gross profit</b>   |      | <u>9,613,688</u>                 | <u>16,353,187</u>               |
| Sales and distribution costs                                |      | (536,778)                        | (733,548)                       |
| Administrative expenses                                     |      | (5,609,159)                      | (6,413,105)                     |
| <b>Profit from operations before other operating income</b> |      | <u>3,467,751</u>                 | <u>9,206,534</u>                |
| Other operating income                                      | 4    | 1,806,307                        | 2,039,855                       |
| Dividends & Investment Income                               | 18   | 4,500,000                        | -                               |
| Interest Received   |      | 2,454                            | 6,750                           |
| Interest payable  |      | (10,492)                         | -                               |
| <b>Profit before tax</b>                                    |      | <u>9,766,020</u>                 | <u>11,253,139</u>               |
| Taxation  | 7    | (1,075,510)                      | (1,993,032)                     |
| <b>Profit for the period attributable to the owners</b>     |      | <u><u>8,690,510</u></u>          | <u><u>9,260,107</u></u>         |

All amounts relate to continuing activities.

The notes on pages 10 to 23 form part of these financial statements.

# HARRIER LLC

## COMPANY BALANCE SHEET FOR THE PERIOD ENDED 31 DECEMBER 2021

Company number FC 021049

|  |      | 31 December 2021         | 02 January 2021          |
|--|------|--------------------------|--------------------------|
|  | Note | £                        | £                        |
| <b>Fixed assets</b>                                  |      |                          |                          |
| Intangible assets                                    | 9    | -                        | -                        |
| Tangible assets                                      | 10   | 8,993,294                | 6,669,662                |
|  |      | <u>8,993,294</u>         | <u>6,669,662</u>         |
| <b>Non current assets</b>                            |      |                          |                          |
| Investment in subsidiary                             | 11   | 359,834                  | 359,834                  |
|  |      | <u>359,834</u>           | <u>359,834</u>           |
| <b>Current assets</b>                                |      |                          |                          |
| Stocks   | 13   | 4,313,600                | 6,758,421                |
| Debtors  | 14   | 15,144,787               | 17,680,786               |
| Cash at bank and in hand                             |      | 7,965,901                | 9,496,961                |
|  |      | <u>27,424,288</u>        | <u>33,936,168</u>        |
| <b>Total assets</b>                                  |      | <u>36,777,416</u>        | <u>40,965,664</u>        |
| <b>Current liabilities</b>                           |      |                          |                          |
| Creditors: amounts falling due in less than one year | 15   | (12,238,349)             | (19,210,703)             |
| <b>Net current assets</b>                            |      | <u>24,539,067</u>        | <u>21,754,961</u>        |
| <b>Non current liabilities</b>                       |      |                          |                          |
| Creditors: amounts falling due in more than one year | 16   | (519,967)                | -                        |
| <b>NET ASSETS</b>                                    |      | <u><u>24,019,100</u></u> | <u><u>21,754,961</u></u> |
| <b>Share capital</b>                                 |      |                          |                          |
| Initial members' capital                             | 17   | 636,670                  | 636,670                  |
| Profit and loss account                              | 19   | 23,382,430               | 21,118,291               |
| <b>TOTAL EQUITY</b>                                  | 20   | <u><u>24,019,100</u></u> | <u><u>21,754,961</u></u> |

The financial statements were approved by the board of directors and authorised for issue on

21/02/2022

  
S Jones ACMA MA BSC  
Director

The notes on pages 10 to 23 form part of these financial statements.

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## HARRIER LLC

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

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#### 1. ACCOUNTING POLICIES

##### 1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and are in accordance with Section 404 ('Overseas companies group accounts') of the Companies Act 2006 as applied to overseas companies by the Overseas Companies Regulations 2009. The accounts have been audited under the International Standards of Auditing (UK and Ireland) issued by the UK Financial Reporting Council.

The following principal accounting policies which incorporate the recognition and valuation principles set out in Financial Reporting Standard 102 – 'The Financial Reporting Standard applicable in the UK and Republic of Ireland', have been applied.

Related party transactions are not disclosed separately in the financial statements.

##### **Going concern**

The directors are satisfied that the group has adequate resources available to discharge its obligations as they fall due for a period of at least 12 months from the date of approval of these financial statements. In making their assessment, the directors have considered the impact of the COVID-19 pandemic. The group therefore continues to adopt the going concern basis in preparing its financial statements.

##### 1.2 Basis of consolidation

The financial statements present the company's own results as well as consolidate the results of Harrier LLC and all of its subsidiary undertakings ('subsidiaries') using the acquisition method of accounting as required. Where this method is used, the results of subsidiary undertakings are included from the date of acquisition.

Harrier LLC is a USA limited liability company (LLC). LLCs are formed in accordance with the laws of the state in which such entities are organised. LLCs generally have the following characteristics:

- An LLC is an unincorporated association of two or more 'persons';
- Its members have limited personal liability for obligations or debts of the entity;
- It is classified as a partnership for federal income tax purposes.

##### 1.3 Cash flow statement

The financial statements have been prepared for the purpose of delivery to Companies House. They have been prepared in accordance with Section 404 ('Overseas companies group accounts') of the Companies Act 2006 as applied to overseas companies by the Overseas Companies Regulations 2009. Consequently no cash flow statement is required.

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## HARRIER LLC

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

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#### 1. ACCOUNTING POLICES (continued)

##### 1.4 Intangible fixed assets and amortisation

###### Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable assets and liabilities acquired.

Goodwill is capitalised and written off on a straight line basis over its useful economic life of between 4 to 15 years. Provision is made for any impairment.

###### Concessions, patents, licenses, trademarks and similar rights and assets

Such expenditure is capitalised at cost and then subject to annual impairment reviews based on the existing benefit derived from the acquisition.

##### 1.5 Revenue recognition

Revenue is recognised to the extent that the group obtains the right to consideration in exchange for its performance. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, Value Added Tax and other sales taxes or duty, where appropriate. The following criteria must also be met before revenue is recognised.

###### Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of the goods.

##### 1.6 Recognition of other operating income

Other operating income is recognised in the financial statements upon receipt of consideration, or on an accruals basis where the amounts can be reliably measured and there is the probability beyond reasonable doubt that consideration will be received.

During the period, the group received Coronavirus Job Retention Scheme ("CJRS") grant income. The group has elected to account for such grants under the accruals model.

##### 1.7 Interest

Interest is included in the financial statements on an accruals basis.

##### 1.8 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following basis:

|                       |   |            |
|-----------------------|---|------------|
| Property improvements | - | 5-10 years |
| Plant & Machinery     | - | 2-7 years  |
| Motor Vehicles        | - | 2-5 years  |

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## HARRIER LLC

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

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#### 1. ACCOUNTING POLICES (continued)

##### 1.9 Investments

Subsidiary undertakings:

Investments are shown at cost less any provision for impairment.

Other investments:

Investments are remeasured at fair value at each balance sheet date through reference to market value as quoted in an active market. Gains and losses on remeasurement are recognised in Profit or Loss for the year.

##### 1.10 Loans

Loans receivable are shown at amortised cost using the effective interest method. Interest is charged at a variable rate above Bank of England base rate.

##### 1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

##### 1.12 Foreign currencies

The functional and presentation currency of Harrier LLC is GBP.

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at rates of exchange ruling at the balance sheet date.

Transactions in foreign currencies are translated into sterling at the rate ruling on the date of the transaction.

The functional currency of Harrier Europe s.r.o. is CZK. For presentation in the consolidated financial statements, assets and liabilities for each balance sheet item are translated at the closing rate at the balance sheet date. Income and expense items in the profit and loss account are translated using the average rate for the period.

Exchange rate gains and losses are recognised in the Profit and Loss account.

Gains or losses due to the translation from functional currency to presentation currency are recognised in consolidated statement of other comprehensive income.

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## HARRIER LLC

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

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#### 1. ACCOUNTING POLICES (continued)

##### 1.13 Taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in the profit and loss account, 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 subsequently enacted by the balance sheet date in the countries where the company operates and generates income.

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if 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.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

The gross tax credit received under the RDEC scheme is recognised within other income in the profit and loss account.

##### 1.14 Operating leases

Rentals under operating leases are charged to the Profit and Loss account 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 period until the date the rent is expected to be adjusted to the prevailing market rate.

##### 1.15 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the period.

##### 1.16 Provision for liabilities

A provision is recognised when the group has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions for the expected costs of dilapidations and onerous leases are charged against profits when the above recognition criteria are met. The effect of the time value of money is not material and therefore the provisions are not discounted.

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## HARRIER LLC

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

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#### 1.17 Financial instruments

Financial assets and liabilities are recognised in the balance sheet when the group becomes party to the contractual provisions of the instrument.

Debtors and creditors are classified as basic financial instruments and measured at initial recognition at transaction price. A provision is established when there is objective evidence that the group will not be able to collect all amounts due.

Cash and cash equivalents are classified as basic financial instruments and comprise cash in hand and at bank.

Loans receivable are classified as basic financial instruments and comprise loans made to a subsidiary company and to a related party. Initial measurement is at the transaction price and subsequent measurement is at amortised cost using the effective interest method.

Financial liabilities and equity instruments are classified in accordance with the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Derivatives, including interest rate swaps and forward foreign exchange contracts, are not basic financial instruments. Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. Changes in the fair value of derivatives are recognised in profit or loss in finance costs or income as appropriate. The group does not currently apply hedge accounting for interest rate and foreign exchange derivatives.

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

The preparation of financial statements in conformity with generally accepted accounting practice requires management to make estimates and judgements that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities at the balance sheet date and the reported amounts of revenues and expenses during the reporting period.

The key areas of judgement and estimation uncertainty in these financial statements are highlighted below:

##### **Carrying value of tangible fixed assets**

Management regularly review both the useful economic life and recoverable value of tangible fixed assets, which largely comprise plant and machinery. These can be subject to technological and other factors that can impact on their useful economic life. Where indicators of impairment are identified an impairment charge is recognised within the profit and loss account.



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**HARRIER LLC**

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

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**Valuation of stock**

Stock is assessed periodically by management to determine the lower of cost and the estimated selling price less costs to sell. Provisions are included where the amount held in the accounts is more than the lower of the two calculated amounts.

**3. TURNOVER**

The whole of the turnover is attributable to the principal activity of the group.

**4. OTHER OPERATING INCOME**

|         | Period ended<br>31 December 2021 | Period ended<br>02 January 2021 |
|---------|----------------------------------|---------------------------------|
|         | £                                | £                               |
| Company | <u>1,806,307</u>                 | <u>2,039,855</u>                |
| Group   | <u>1,844,921</u>                 | <u>2,390,543</u>                |

Other operating income in the current period is mostly attributable to recycling of waste materials, but also includes CJRS income recognised in the period of £5,095 (prior period £93,876).

## HARRIER LLC

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

#### 5. PROFIT FROM OPERATIONS

The group profit is stated after charging

|  | Period ended<br>31 December 2021<br>£ | Period ended<br>02 January 2021<br>£ |
|--|---------------------------------------|--------------------------------------|
| Depreciation of tangible fixed assets: |                                       |                                      |
| - owned by the group                   | 3,622,051                             | 3,061,397                            |
| Auditor's remuneration                 | 36,746                                | 42,574                               |
| Auditor's remuneration - non-audit     | 5,100                                 | 53,838                               |
| Operating lease rentals                | 665,903                               | 594,666                              |
| Difference on foreign exchange         | (292,420)                             | 339,436                              |
| Loss / (Profit) on disposal of assets  | <u>75,067</u>                         | <u>(16,947)</u>                      |

#### 6. STAFF COSTS

Group staff costs were as follows

|                       | Period ended<br>31 December 2021<br>£ | Period ended<br>02 January 2021<br>£ |
|-----------------------|---------------------------------------|--------------------------------------|
| Wages and salaries    | 9,878,713                             | 10,394,511                           |
| Social security costs | 1,281,508                             | 1,281,273                            |
| Other pension costs   | <u>1,104,599</u>                      | <u>959,001</u>                       |
|                       | <u>12,264,820</u>                     | <u>12,634,785</u>                    |

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

|                | Period ended<br>31 December 2021<br>No. | Period ended<br>02 January 2021<br>No. |
|----------------|---|--|
| Production     | 223                                     | 206                                    |
| Administration | <u>125</u>                              | <u>119</u>                             |
|                | <u>348</u>                              | <u>325</u>                             |

## HARRIER LLC

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

#### 7. TAXATION

|  | Group            |                 | Company          |                 |
|--|------------------|-----------------|------------------|-----------------|
|  | Period ended     | Period ended    | Period ended     | Period ended    |
|  | 31 December 2021 | 02 January 2021 | 31 December 2021 | 02 January 2021 |
|  | £                | £               | £                | £               |
| <b>Corporation tax</b>                         |                  |                 |                  |                 |
| Current tax on profits of the period           | 641,691          | 1,974,997       | 571,961          | 1,967,685       |
| Group relief payable/(receivable)              | -                | -               | -                | 47,194          |
| Adjustment in respect of previous periods      | 18,008           | (103,305)       | 18,008           | (102,970)       |
| Total current tax                              | 659,699          | 1,871,692       | 589,969          | 1,911,909       |
| <b>Deferred tax</b>                            |                  |                 |                  |                 |
| Origination and reversal of timing differences | 465,548          | 153,852         | 465,548          | 79,580          |
| Adjustment in respect of previous periods      | (15,648)         | (3,608)         | (15,648)         | (3,608)         |
| Effect of changes in tax rates                 | 35,641           | 5,151           | 35,641           | 5,151           |
| Total  | 1,145,240        | 2,027,087       | 1,075,510        | 1,993,032       |

#### 8. DEFERRED TAX

|  | Group            |                 | Company          |                 |
|--|------------------|-----------------|------------------|-----------------|
|  | Period ended     | Period ended    | Period ended     | Period ended    |
|  | 31 December 2021 | 02 January 2021 | 31 December 2021 | 02 January 2021 |
|  | £                | £               | £                | £               |
| At beginning of period                   | (202,781)        | (47,386)        | (128,509)        | (47,386)        |
| (Released) / additions during the period | (484,550)        | (155,395)       | (485,541)        | (81,123)        |
| At end of period                         | (687,331)        | (202,781)       | (614,050)        | (128,509)       |

Deferred tax is made up as follows:

|                                | Group            |                | Company          |                |
|--------------------------------|------------------|----------------|------------------|----------------|
|                                | Period ended     | Period ended   | Period ended     | Period ended   |
|                                | 31 December 2021 | 2 January 2021 | 31 December 2021 | 2 January 2021 |
|                                | £                | £              | £                | £              |
| Accelerated capital allowances | (640,970)        | (159,480)      | (640,970)        | (159,480)      |
| Short term timing differences  | (46,361)         | (43,301)       | 26,920           | 30,971         |
|                                | (687,331)        | (202,781)      | (614,050)        | (128,509)      |

## HARRIER LLC

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

#### 9. INTANGIBLE FIXED ASSETS

| Company               | Trademark<br>£ | Goodwill<br>£    | Total<br>£       |
|-----------------------|----------------|------------------|------------------|
| <b>Cost</b>           |                |                  |                  |
| At 02 January 2021    | 88,800         | 2,200,459        | 2,289,259        |
| At 31 December 2021   | <u>88,800</u>  | <u>2,200,459</u> | <u>2,289,259</u> |
| <b>Amortisation</b>   |                |                  |                  |
| At 02 January 2021    | 88,800         | 2,200,459        | 2,289,259        |
| At 31 December 2021   | <u>88,800</u>  | <u>2,200,459</u> | <u>2,289,259</u> |
| <b>Net Book Value</b> |                |                  |                  |
| At 02 January 2021    | <u>-</u>       | <u>-</u>         | <u>-</u>         |
| At 31 December 2021   | <u>-</u>       | <u>-</u>         | <u>-</u>         |

| Group                 | Trademark<br>£ | Goodwill<br>£    | Total<br>£       |
|-----------------------|----------------|------------------|------------------|
| <b>Cost</b>           |                |                  |                  |
| At 02 January 2021    | 88,800         | 2,200,459        | 2,289,259        |
| At 31 December 2021   | <u>88,800</u>  | <u>2,200,459</u> | <u>2,289,259</u> |
| <b>Amortisation</b>   |                |                  |                  |
| At 02 January 2021    | 88,800         | 2,200,459        | 2,289,259        |
| At 31 December 2021   | <u>88,800</u>  | <u>2,200,459</u> | <u>2,289,259</u> |
| <b>Net Book Value</b> |                |                  |                  |
| At 02 January 2021    | <u>-</u>       | <u>-</u>         | <u>-</u>         |
| At 31 December 2021   | <u>-</u>       | <u>-</u>         | <u>-</u>         |

# HARRIER LLC

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

### 10. TANGIBLE FIXED ASSETS

| Company               | Property improvements | Plant & machinery | Motor Vehicles | Total       |
|-----------------------|-----------------------|-------------------|----------------|-------------|
|                       | £                     | £                 | £              | £           |
| <b>Cost</b>           |                       |                   |                |             |
| At 02 January 2021    | 961,029               | 19,223,176        | 52,094         | 20,236,299  |
| Additions             | 1,112,915             | 3,378,948         | 19,840         | 4,511,703   |
| Disposals             | (113,717)             | (990,097)         | -              | (1,103,814) |
| At 31 December 2021   | 1,960,227             | 21,612,027        | 71,934         | 23,644,188  |
| <b>Depreciation</b>   |                       |                   |                |             |
| At 02 January 2021    | 666,422               | 12,865,232        | 34,983         | 13,566,637  |
| Charge for the period | 74,472                | 1,991,327         | 7,505          | 2,073,304   |
| On disposals          | (101,363)             | (887,684)         | -              | (989,047)   |
| At 31 December 2021   | 639,531               | 13,968,875        | 42,488         | 14,650,894  |
| <b>Net book value</b> |                       |                   |                |             |
| At 02 January 2021    | 294,607               | 6,357,944         | 17,111         | 6,669,662   |
| At 31 December 2021   | 1,320,696             | 7,643,152         | 29,446         | 8,993,294   |

| Group                           | Property improvements | Plant & machinery | Motor Vehicles | Total       |
|---------------------------------|-----------------------|-------------------|----------------|-------------|
|                                 | £                     | £                 | £              | £           |
| <b>Cost</b>                     |                       |                   |                |             |
| At 02 January 2021              | 2,621,699             | 25,826,598        | 52,094         | 28,500,391  |
| Currency translation adjustment | (22,172)              | (88,305)          | -              | (110,477)   |
| Additions                       | 1,172,690             | 3,838,158         | 19,840         | 5,030,688   |
| Disposals                       | (113,718)             | (990,097)         | -              | (1,103,815) |
| At 31 December 2021             | 3,658,499             | 28,586,354        | 71,934         | 32,316,787  |
| <b>Depreciation</b>             |                       |                   |                |             |
| At 02 January 2021              | 899,460               | 14,414,576        | 34,983         | 15,349,019  |
| Currency translation adjustment | (3,111)               | (20,700)          | -              | (23,811)    |
| Charge for the period           | 239,012               | 3,375,534         | 7,505          | 3,622,051   |
| On disposals                    | (101,363)             | (887,684)         | -              | (989,047)   |
| At 31 December 2021             | 1,033,998             | 16,881,726        | 42,488         | 17,958,212  |
| <b>Net book value</b>           |                       |                   |                |             |
| At 02 January 2021              | 1,722,239             | 11,412,022        | 17,111         | 13,151,372  |
| At 31 December 2021             | 2,624,501             | 11,704,628        | 29,446         | 14,358,575  |

## HARRIER LLC

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

#### 11. NON CURRENT ASSET INVESTMENTS

| Group                       | Unlisted    | Total          |
|-----------------------------|-------------|----------------|
| Cost                        | Investments | £              |
|                             | £           | £              |
| At 02 January 2021          | 2,254,218   | 2,254,218      |
| Additions marked to market  | 20,000      | 20,000         |
| Revaluation to market value | (82,877)    | (82,877)       |
| At 31 December 2021         | 2,191,341   | 2,191,341      |
| <b>Net book value</b>       |             |                |
| At 02 January 2021          | 2,254,218   | 2,254,218      |
| At 31 December 2021         | 2,191,341   | 2,191,341      |
| <b>Company</b>              |             | Investments in |
| <b>Cost</b>                 |             | subsidiary     |
|                             |             | companies      |
|                             |             | £              |
| At 02 January 2021          |             | 359,834        |
| At 31 December 2021         |             | 359,834        |
| <b>Net book value</b>       |             |                |
| At 02 January 2021          |             | 359,834        |
| At 31 December 2021         |             | 359,834        |

| Company name   | Country of incorporation | Class of shares | % shareholding | Activity            |
|--|--------------------------|-----------------|----------------|---------------------|
| Harrier Print Ltd  | England                  | Ordinary        | 100%           | Holding Company     |
| Registered office: Brunel Road, Newton Abbot, Devon TQ12 4UH           |                          |                 |                |                     |
| Held indirectly through Harrier Print Ltd,                             |                          |                 |                |                     |
| Harrier Europe s.r.o.  | Czech Republic           | Ordinary        | 100%           | Commercial Printing |
| Registered office: Pujmanové 1753/10a, Praha 4, 140 00, Czech Republic |                          |                 |                |                     |

#### 12. OTHER LOAN

|  | Group     | Company |
|--|-----------|---------|
|  | £         | £       |
| At 29 December 2019  | 1,139,683 | -       |
| Interest charged   | (3,907)   | -       |
| Amount receivable within 12 months, recognised in Current Assets | (307,692) | -       |
| At 2 January 2021  | 828,084   | -       |
| At 2 January 2021  | 828,084   | -       |
| Interest charged   | 6,202     | -       |
| Amount receivable within 12 months, recognised in Current Assets | (236,745) | -       |
| At 31 December 2021  | 597,541   | -       |

## HARRIER LLC

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

#### 13. STOCKS

|               | Group                            |                                | Company                          |                                |
|---------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|               | Period ended<br>31 December 2021 | Period ended<br>2 January 2021 | Period ended<br>31 December 2021 | Period ended<br>2 January 2021 |
|               | £                                | £                              | £                                | £                              |
| Raw materials | <u>5,422,461</u>                 | <u>7,505,678</u>               | <u>4,313,600</u>                 | <u>6,758,421</u>               |

#### 14. DEBTORS DUE WITHIN ONE YEAR

|                                    | Group                            |                                | Company                          |                                |
|------------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|                                    | Period ended<br>31 December 2021 | Period ended<br>2 January 2021 | Period ended<br>31 December 2021 | Period ended<br>2 January 2021 |
|                                    | £                                | £                              | £                                | £                              |
| Trade debtors                      | 17,060,006                       | 19,199,541                     | 13,153,907                       | 16,041,431                     |
| Amounts owed by group undertakings | -                                | -                              | 410,841                          | 564,176                        |
| Amounts due from related parties   | 307,692                          | 307,813                        | -                                | 121                            |
| Other debtors                      | 620,029                          | 1,758,790                      | 163,295                          | 318,084                        |
| Corporation tax debtor             | 896,914                          | 92,315                         | 896,914                          | 92,315                         |
| Prepayments and accrued income     | 612,270                          | 752,314                        | 519,830                          | 664,659                        |
|                                    | <u>19,496,911</u>                | <u>22,110,773</u>              | <u>15,144,787</u>                | <u>17,680,786</u>              |

#### 15. CREDITORS:

Amount falling due within one year

|                                     | Group                            |                                | Company                          |                                |
|-------------------------------------|----------------------------------|--------------------------------|----------------------------------|--------------------------------|
|                                     | Period ended<br>31 December 2021 | Period ended<br>2 January 2021 | Period ended<br>31 December 2021 | Period ended<br>2 January 2021 |
|                                     | £                                | £                              | £                                | £                              |
| Trade creditors                     | 5,223,691                        | 5,455,593                      | 3,486,496                        | 4,641,097                      |
| Amounts owed to group undertakings  | -                                | -                              | -                                | 572,206                        |
| Deferred tax liability (see note 8) | 687,331                          | 202,781                        | 614,050                          | 128,509                        |
| Other taxation and social security  | 1,216,364                        | 2,012,049                      | 675,744                          | 1,451,488                      |
| Other creditors                     | 559,565                          | 437,159                        | 358,500                          | 314,174                        |
| Bank Loans                          | 324,959                          | -                              | 324,959                          | -                              |
| Derivative financial instruments    | -                                | 1,234,836                      | -                                | -                              |
| Accruals and deferred income        | <u>8,697,206</u>                 | <u>14,876,448</u>              | <u>6,778,600</u>                 | <u>12,103,229</u>              |
|                                     | <u>16,709,116</u>                | <u>24,218,866</u>              | <u>12,238,349</u>                | <u>19,210,703</u>              |

## HARRIER LLC

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

#### 16. NON CURRENT LIABILITIES

|            | Group            |                | Company          |                |
|------------|------------------|----------------|------------------|----------------|
|            | 31 December 2021 | 2 January 2021 | 31 December 2021 | 2 January 2021 |
| Bank loans | <u>519,967</u>   | <u>-</u>       | <u>519,967</u>   | <u>-</u>       |

Please see note 21 for details of security given on borrowings.

#### 17. INITIAL MEMBERS' CAPITAL

|  | Group            |                | Company          |                |
|--|------------------|----------------|------------------|----------------|
|  | 31 December 2021 | 2 January 2021 | 31 December 2021 | 2 January 2021 |
|  | <u>636,670</u>   | <u>636,670</u> | <u>636,670</u>   | <u>636,670</u> |

#### 18. DIVIDENDS & DISTRIBUTIONS

|                    | Group              |                    | Company            |                    |
|--------------------|--------------------|--------------------|--------------------|--------------------|
|                    | Period ended       | Period ended       | Period ended       | Period ended       |
|                    | 31 December 2021   | 2 January 2021     | 31 December 2021   | 2 January 2021     |
| Dividends Received | -                  | -                  | 4,500,000          | -                  |
| Distributions Paid | <u>(6,426,371)</u> | <u>(4,764,930)</u> | <u>(6,426,371)</u> | <u>(4,764,930)</u> |

#### 19. RESERVES

|   | Profit and Loss<br>account |
|---|----------------------------|
| <b>Group</b>                              | £                          |
| At 02 January 2021                        | 36,418,350                 |
| Total comprehensive income for the period | 6,201,534                  |
| Distributions                             | <u>(6,426,371)</u>         |
| At 31 December 2021                       | <u>36,193,513</u>          |
|   | Profit and Loss<br>account |
| <b>Company</b>                            | £                          |
| At 02 January 2021                        | 21,118,291                 |
| Profit for the period                     | 8,690,510                  |
| Distributions                             | <u>(6,426,371)</u>         |
| At 31 December 2021                       | <u>23,382,430</u>          |



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## HARRIER LLC

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

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#### 20 RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

|   | 31 December 2021  | 02 January 2021   |
|---|-------------------|-------------------|
| Group   | £                 | £                 |
| Opening shareholders' funds                         | 37,055,020        | 29,802,395        |
| Total comprehensive income for the financial period | 6,201,534         | 12,017,555        |
| Distribution to members                             | (6,426,371)       | (4,764,930)       |
| Closing shareholders' funds                         | <u>36,830,183</u> | <u>37,055,020</u> |
| Company   |                   |                   |
| Opening shareholders' funds                         | 21,754,961        | 17,259,784        |
| Profit for the financial period                     | 8,690,510         | 9,260,107         |
| Distribution to members                             | (6,426,371)       | (4,764,930)       |
| Closing shareholders' funds                         | <u>24,019,100</u> | <u>21,754,961</u> |

#### 20. PENSION COMMITMENTS

The group operates a defined contribution pension scheme. The assets of the scheme are held separately from those of the group in independently administered funds. The pension charge amounted to £1,104,599 (2021 - £959,001). Contributions amounting to £51,795 (2021 - £43,837) were payable and included in creditors.

#### 21. GUARANTEES AND SECURITY

On 27 July 2021, a chattels mortgage was created, secured over certain assets, repayable to HSBC Equipment Finance (UK) Ltd

On 12 June 2013, a debenture was created over certain assets, securing amounts owed by Harrier LLC to Barclays Bank plc.

On 15 January 2007, a debenture was created over certain assets, securing amounts owed by Harrier LLC to HSBC Bank plc.

There are no liabilities attached to these debentures. A balance of £844,926 remains payable on the chattels mortgage.