

**SIL-MID LIMITED**  
**Strategic Report, Report of the Director and**  
**Audited Financial Statements**  
**for the Year Ended 31 December 2020**

Eden Currie Limited  
Chartered Accountants  
and Statutory Auditor  
2 Highlands Court  
Cranmore Avenue  
Solihull  
West Midlands  
B90 4LE

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for the Year Ended 31 December 2020**

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**SIL-MID LIMITED**

**Company Information  
for the Year Ended 31 December 2020**

**DIRECTOR:** A D Nickson

**REGISTERED OFFICE:** Unit 1 & 2 Roman Park  
Roman Way  
Coleshill  
Birmingham  
West Midlands  
B46 1HG

**REGISTERED NUMBER:** 01460851 (England and Wales)

**AUDITORS:** Eden Currie Limited  
Chartered Accountants  
and Statutory Auditor  
2 Highlands Court  
Cranmore Avenue  
Solihull  
West Midlands  
B90 4LE

**Strategic Report  
for the Year Ended 31 December 2020**

The director presents his strategic report for the year ended 31 December 2020.

**REVIEW OF BUSINESS**

The company operates as a distributor of sealants and lubricants in the United Kingdom and overseas markets.

The company continued to trade well and achieved a profit after taxation for the financial year of £1,472,274 (2019 : £1,673,221).

**PRINCIPAL RISKS AND UNCERTAINTIES**

As for many businesses of our size, the aerospace business environment in which we operate continues to be challenging. The company is exposed to risks within the markets it operates in and also the general business environment. Factors such as increased competition or loss of customers or suppliers would all affect the company's future performance and we continue to monitor these factors together with the effects of Covid-19 and Brexit and take action to minimise the risks wherever possible. With these risks and uncertainties in mind, we are aware that any plans for future development of the business may be subject to unforeseen future events outside our control.

**DEVELOPMENT AND PERFORMANCE**

The director is pleased with the profit achieved during the year despite the difficulties due to Covid-19 and will continue to develop all areas of the business.

**KEY PERFORMANCE INDICATORS**

The key performance indicators help the company to measure performance against our strategic priorities and business plan.

We consider our financial key performance indicators to be those ratios which communicate the financial performance of the company as a whole:

	2020	2019
(Decrease)/Increase in turnover	(3.1%)	10.5%
(Decrease)/Increase in operating profit	(11.5%)	28.3%
(Decrease)/Increase in gross profit	(7.3%)	13.5%

The key performance indicators show the company's continuing satisfactory performance.

**ON BEHALF OF THE BOARD:**

A D Nickson - Director

21 September 2021

**Report of the Director  
for the Year Ended 31 December 2020**

The director presents his report with the financial statements of the company for the year ended 31 December 2020.

**DIVIDENDS**

Total dividends paid during the year ended 31 December 2020 were £1,247,700.

**FUTURE DEVELOPMENTS**

The global Covid-19 pandemic and the associated quarantines put in place by the UK and other governments present significant challenges to the aviation sector.

The director is confident that the actions taken to mitigate the impact of reduced aerospace activity have ensured that the company has continued to make satisfactory progress based on its results to date. The on-going impact of Brexit on imports and export sales is uncertain and management has put in place several initiatives to mitigate any disruption to supply that may occur.

**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.

**DIRECTORS**

A D Nickson has held office during the whole of the period from 1 January 2020 to the date of this report.

Other changes in directors holding office are as follows:

Mrs J N Jarvis ceased to be a director after 31 December 2020 but prior to the date of this report.

**STATEMENT OF DIRECTOR'S RESPONSIBILITIES**

The director is responsible for preparing the Strategic Report, the Report of the Director 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). 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;
- 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.

**Report of the Director  
for the Year Ended 31 December 2020**

**AUDITORS**

The auditors, Eden Currie Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

**ON BEHALF OF THE BOARD:**

A D Nickson - Director

21 September 2021

**Report of the Independent Auditors to the Members of  
Sil-Mid Limited**

**Opinion**

We have audited the financial statements of Sil-Mid Limited (the 'company') for the year ended 31 December 2020 which comprise the Income Statement, Other Comprehensive Income, Balance Sheet, Statement of Changes in Equity, Cash Flow Statement and Notes to the Cash Flow Statement, 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 2020 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 Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

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.

**Other information**

The director is responsible for the other information. The other information comprises the information in the Strategic Report and the Report of the Director, but does not include the financial statements and our Report of the Auditors 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Report of the Independent Auditors to the Members of  
Sil-Mid Limited**

**Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the Strategic Report and the Report of the Director for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Report of the Director have been prepared in accordance with applicable legal requirements.

**Matters on which we are required to report by exception**

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

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.

**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  
Sil-Mid 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.

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:

- Enquiry of management, those charged with governance around actual and potential litigation and claims;
- Enquiry of entity staff to identify any instances of non-compliance with laws and regulations;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations.
- Performing audit work over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for bias.
- Performing audit work over the risk of understatement of turnover including analytical review and obtaining corroborated explanations from Management.

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 or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, 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 Report of the Auditors.

**Report of the Independent Auditors to the Members of  
Sil-Mid 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.

Caroline Webb FCA (Senior Statutory Auditor)  
for and on behalf of Eden Currie Limited  
Chartered Accountants  
and Statutory Auditor  
2 Highlands Court  
Cranmore Avenue  
Solihull  
West Midlands  
B90 4LE

21 September 2021

**Income Statement**  
**for the Year Ended 31 December 2020**

	Notes	2020 £	£	2019 £	£
<b>TURNOVER</b>	4		19,058,017		19,659,362
Cost of sales			<u>13,952,072</u>		<u>14,150,231</u>
<b>GROSS PROFIT</b>			5,105,945		5,509,131
Distribution costs		16,790		20,928	
Administrative expenses		<u>3,293,714</u>		<u>3,438,221</u>	
			<u>3,310,504</u>		<u>3,459,149</u>
			1,795,441		2,049,982
Other operating income			<u>18,808</u>		<u>-</u>
<b>OPERATING PROFIT</b>	6		1,814,249		2,049,982
Interest receivable and similar income			<u>7,205</u>		<u>18,486</u>
<b>PROFIT BEFORE TAXATION</b>			1,821,454		2,068,468
Tax on profit	7		<u>349,180</u>		<u>395,247</u>
<b>PROFIT FOR THE FINANCIAL YEAR</b>			<u>1,472,274</u>		<u>1,673,221</u>

The notes form part of these financial statements

**Other Comprehensive Income  
for the Year Ended 31 December 2020**

	2020	2019
Notes	£	£
<b>PROFIT FOR THE YEAR</b>	1,472,274	1,673,221
<b>OTHER COMPREHENSIVE INCOME</b>	<u>-</u>	<u>-</u>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>	<u>1,472,274</u>	<u>1,673,221</u>

The notes form part of these financial statements

**Balance Sheet**  
**31 December 2020**

	Notes	2020 £	£	2019 £	£
<b>FIXED ASSETS</b>					
Tangible assets	9		416,979		525,962
<b>CURRENT ASSETS</b>					
Stocks	10	1,963,257		1,995,468	
Debtors	11	4,096,465		4,107,302	
Cash at bank		<u>3,531,642</u>		<u>3,115,828</u>	
		9,591,364		9,218,598	
<b>CREDITORS</b>					
Amounts falling due within one year	12	<u>3,114,534</u>		<u>3,056,344</u>	
<b>NET CURRENT ASSETS</b>			<u>6,476,830</u>		<u>6,162,254</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>			6,893,809		6,688,216
<b>PROVISIONS FOR LIABILITIES</b>	15		<u>65,171</u>		<u>84,152</u>
<b>NET ASSETS</b>			<u><u>6,828,638</u></u>		<u><u>6,604,064</u></u>
<b>CAPITAL AND RESERVES</b>					
Share capital	16		5,000		5,000
Other reserves	17		5,000		5,000
Retained earnings	17		<u>6,818,638</u>		<u>6,594,064</u>
<b>SHAREHOLDERS' FUNDS</b>			<u><u>6,828,638</u></u>		<u><u>6,604,064</u></u>

The financial statements were approved by the director and authorised for issue on 21 September 2021 and were signed by:

A D Nickson - Director

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

	Share capital £	Retained earnings £	Other reserves £	Total equity £
<b>Balance at 1 January 2019</b>	5,000	5,720,343	5,000	5,730,343
<b>Changes in equity</b>				
Dividends	-	(799,500)	-	(799,500)
Total comprehensive income	-	1,673,221	-	1,673,221
<b>Balance at 31 December 2019</b>	<u>5,000</u>	<u>6,594,064</u>	<u>5,000</u>	<u>6,604,064</u>
<b>Changes in equity</b>				
Dividends	-	(1,247,700)	-	(1,247,700)
Total comprehensive income	-	1,472,274	-	1,472,274
<b>Balance at 31 December 2020</b>	<u>5,000</u>	<u>6,818,638</u>	<u>5,000</u>	<u>6,828,638</u>

**Cash Flow Statement  
for the Year Ended 31 December 2020**

	Notes	2020 £	2019 £
<b>Cash flows from operating activities</b>			
Cash generated from operations	1	2,207,053	2,143,203
Tax paid		<u>(554,844)</u>	<u>(307,749)</u>
Net cash from operating activities		<u>1,652,209</u>	<u>1,835,454</u>
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(14,708)	(267,600)
Interest received		<u>7,205</u>	<u>18,486</u>
Net cash from investing activities		<u>(7,503)</u>	<u>(249,114)</u>
<b>Cash flows from financing activities</b>			
Equity dividends paid		(1,247,700)	(799,500)
Grant from government		<u>18,808</u>	<u>-</u>
Net cash from financing activities		<u>(1,228,892)</u>	<u>(799,500)</u>
<b>Increase in cash and cash equivalents</b>		<u>415,814</u>	<u>786,840</u>
<b>Cash and cash equivalents at beginning of year</b>	2	<u>3,115,828</u>	<u>2,328,988</u>
<b>Cash and cash equivalents at end of year</b>	2	<u>3,531,642</u>	<u>3,115,828</u>

The notes form part of these financial statements

**Notes to the Cash Flow Statement  
for the Year Ended 31 December 2020**

**1. RECONCILIATION OF PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS**

	2020	2019
	£	£
Profit before taxation	1,821,454	2,068,468
Depreciation charges	121,425	121,287
Loss on disposal of fixed assets	2,266	-
Government grants	(18,808)	-
Finance income	(7,205)	(18,486)
	<u>1,919,132</u>	<u>2,171,269</u>
Decrease/(increase) in stocks	32,211	(145,390)
Decrease/(increase) in trade and other debtors	10,837	(152,731)
Increase in trade and other creditors	244,873	270,055
<b>Cash generated from operations</b>	<u><u>2,207,053</u></u>	<u><u>2,143,203</u></u>

**2. CASH AND CASH EQUIVALENTS**

The amounts disclosed on the Cash Flow Statement in respect of cash and cash equivalents are in respect of these Balance Sheet amounts:

**Year ended 31 December 2020**

	31/12/20	1/1/20
	£	£
Cash and cash equivalents	<u><u>3,531,642</u></u>	<u><u>3,115,828</u></u>

**Year ended 31 December 2019**

	31/12/19	1/1/19
	£	£
Cash and cash equivalents	<u><u>3,115,828</u></u>	<u><u>2,328,988</u></u>

**3. ANALYSIS OF CHANGES IN NET FUNDS**

	At 1/1/20	Cash flow	At 31/12/20
	£	£	£
<b>Net cash</b>			
Cash at bank	<u>3,115,828</u>	<u>415,814</u>	<u>3,531,642</u>
	<u>3,115,828</u>	<u>415,814</u>	<u>3,531,642</u>
<b>Total</b>	<u><u>3,115,828</u></u>	<u><u>415,814</u></u>	<u><u>3,531,642</u></u>

**Notes to the Financial Statements  
for the Year Ended 31 December 2020**

**1. STATUTORY INFORMATION**

Sil-Mid 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.

The presentation currency of the financial statements is the Pound Sterling (£).

**2. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

These financial statements have been prepared in accordance with Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

**Related party exemption**

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 its parent undertaking.

**Turnover**

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the company and the turnover can be reliably measured. All turnover of the company is from sales of products at a point in time with the delivery of the product seen as the only performance obligation under the contract.

Turnover is recognised on delivery when control of the goods has passed to the buyer. Turnover is recorded net of value added tax.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold property alterations	- straight line over the life of the lease
Plant and machinery	- 20% on reducing balance
Fixtures and fittings	- 33% on cost, 20% on cost and 15% on reducing balance

**Government grants**

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them. Revenue grants will be recognised using the accrual model and will be recognised in income on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate.

**Stocks**

Stock is valued at the lower of cost and net realisable value after due regard for obsolete and slow moving stocks. Cost is determined on a first in, first out basis. Net realisable value is based on the selling price less anticipated selling costs.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**2. ACCOUNTING POLICIES - continued**

**Taxation**

Taxation for the year comprises current and deferred tax. Tax is recognised in the Income Statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

Current or deferred taxation assets and liabilities are not discounted.

Current tax is recognised at the amount of tax payable using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

**Deferred tax**

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date.

Timing differences arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in financial statements. Deferred tax is measured using tax rates and laws that have been enacted or substantively enacted by the year end and that are expected to apply to the reversal of the timing difference.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**Foreign currencies**

Profit and loss account transactions in foreign currencies are translated into sterling at the exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the closing rates at the balance sheet date and the exchange differences are included in the profit and loss account.

**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.

**Operating leases**

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

**3. CRITICAL ACCOUNTING JUDGEMENTS AND ESTIMATION UNCERTAINTY**

In the application of the company's accounting policies, the director is required to make judgements, estimates and assumptions about the value of assets and liabilities that are not readily apparent from other sources. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be relevant.

**Stock provision - judgement**

Due to the nature of the stock, the company writes off stock only once the expiry date is reached hence no provision is made at the year end based on the ageing of the stock held.

Notes to the Financial Statements - continued  
for the Year Ended 31 December 20204. **TURNOVER**

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

An analysis of turnover by geographical market is given below:

	2020 £	2019 £
United Kingdom	12,791,915	13,255,010
Foreign markets	6,266,102	6,404,352
	<u>19,058,017</u>	<u>19,659,362</u>

5. **EMPLOYEES AND DIRECTORS**

	2020 £	2019 £
Wages and salaries	1,809,038	1,853,553
Social security costs	177,929	182,567
Other pension costs	67,590	61,731
	<u>2,054,557</u>	<u>2,097,851</u>

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

	2020	2019
Office and administrative	44	46
Warehouse operatives	12	12
	<u>56</u>	<u>58</u>

	2020 £	2019 £
Directors' remuneration	293,604	303,625
Directors' pension contributions to money purchase schemes	14,520	14,520
	<u>308,124</u>	<u>318,145</u>

The number of directors to whom retirement benefits were accruing was as follows:

Money purchase schemes	<u>2</u>	<u>2</u>
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Information regarding the highest paid director is as follows:

	2020 £	2019 £
Emoluments etc	157,021	160,487
Pension contributions to money purchase schemes	7,260	7,260
	<u>164,281</u>	<u>167,747</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

## 6. OPERATING PROFIT

The operating profit is stated after charging:

	2020	2019
	£	£
Hire of plant and machinery	3,614	3,614
Depreciation - owned assets	121,425	121,287
Loss on disposal of fixed assets	2,266	-
Auditors' remuneration	14,420	16,480
Auditors' remuneration for non audit work	500	500
Foreign currency losses	60,844	50,240
Rent on property	143,878	143,878
Grant received	<u>18,808</u>	<u>-</u>

## 7. TAXATION

**Analysis of the tax charge**

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

	2020	2019
	£	£
Current tax:		
UK corporation tax	368,161	375,832
Deferred tax	<u>(18,981)</u>	<u>19,415</u>
Tax on profit	<u>349,180</u>	<u>395,247</u>

**Reconciliation of total tax charge included in profit and loss**

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

	2020	2019
	£	£
Profit before tax	<u>1,821,454</u>	<u>2,068,468</u>
Profit multiplied by the standard rate of corporation tax in the UK of 19% (2019 - 19%)	346,076	393,009
Effects of:		
Expenses not deductible for tax purposes	<u>3,104</u>	<u>2,238</u>
Total tax charge	<u>349,180</u>	<u>395,247</u>

## 8. DIVIDENDS

	2020	2019
	£	£
Interim	<u>1,247,700</u>	<u>799,500</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

## 9. TANGIBLE FIXED ASSETS

	Leasehold property alterations £	Plant and machinery £	Fixtures and fittings £	Totals £
<b>COST</b>				
At 1 January 2020	194,044	523,697	536,925	1,254,666
Additions	-	2,249	12,459	14,708
Disposals	-	-	(39,172)	(39,172)
At 31 December 2020	<u>194,044</u>	<u>525,946</u>	<u>510,212</u>	<u>1,230,202</u>
<b>DEPRECIATION</b>				
At 1 January 2020	141,106	260,186	327,412	728,704
Charge for year	3,899	53,394	64,132	121,425
Eliminated on disposal	-	-	(36,906)	(36,906)
At 31 December 2020	<u>145,005</u>	<u>313,580</u>	<u>354,638</u>	<u>813,223</u>
<b>NET BOOK VALUE</b>				
At 31 December 2020	<u>49,039</u>	<u>212,366</u>	<u>155,574</u>	<u>416,979</u>
At 31 December 2019	<u>52,938</u>	<u>263,511</u>	<u>209,513</u>	<u>525,962</u>

## 10. STOCKS

	2020 £	2019 £
Finished goods	<u>1,963,257</u>	<u>1,995,468</u>

## 11. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020 £	2019 £
Trade debtors	2,134,190	2,157,864
Amounts owed by group undertakings	1,711,609	1,711,609
Other debtors	40,000	41,848
VAT	81,546	51,112
Prepayments and accrued income	<u>129,120</u>	<u>144,869</u>
	<u>4,096,465</u>	<u>4,107,302</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

## 12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2020	2019
	£	£
Trade creditors	2,707,291	2,396,385
Corporation tax	189,161	375,844
Social security and other taxes	50,302	43,899
Other creditors	82,356	98,377
Accruals and deferred income	85,424	141,839
	<u>3,114,534</u>	<u>3,056,344</u>

## 13. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2020	2019
	£	£
Within one year	181,963	201,331
Between one and five years	621,564	640,648
In more than five years	75,725	227,175
	<u>879,252</u>	<u>1,069,154</u>

## 14. SECURED DEBTS

The company has a guarantee and fixed and floating charge by the company and other members of the group under which each group member;

- i. Guarantees the liabilities to the bank of each other group member and of any other members of the group which subsequently accedes as parties to the guarantee and fixed and floating charge; and
- ii. Charges to the bank all the assets and undertakings present and future of the company as security for liabilities from time to time of the company to the bank both directly and as guarantor.

At the year end, the group and company had no amount covered by this security.

## 15. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Deferred tax	<u>65,171</u>	<u>84,152</u>
		Deferred tax
		£
Balance at 1 January 2020		84,152
Accelerated capital allowances		<u>(18,981)</u>
Balance at 31 December 2020		<u>65,171</u>

Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020

## 15. PROVISIONS FOR LIABILITIES - continued

Deferred Tax is in respect of accelerated capital allowances.

## 16. SHARE CAPITAL

Allotted, issued and fully paid:

Number:	Class:	Nominal value: £1	2020 £	2019 £
5,000	Ordinary		<u>5,000</u>	<u>5,000</u>

## 17. RESERVES

	Retained earnings £	Other reserves £	Totals £
At 1 January 2020	6,594,064	5,000	6,599,064
Profit for the year	1,472,274		1,472,274
Dividends	<u>(1,247,700)</u>		<u>(1,247,700)</u>
At 31 December 2020	<u>6,818,638</u>	<u>5,000</u>	<u>6,823,638</u>

Other Reserves is a Capital Redemption Reserve from a purchase of own shares.

## 18. PENSION COMMITMENTS

The company operates a defined contribution pension scheme. The pension cost charge for the period represents contributions payable by the company to the scheme and amounted to £67,590 (2019 £61,731).

## 19. ULTIMATE PARENT COMPANY

The company is a 100% owned subsidiary of Cildarn Limited, a company registered in England and Wales.

A copy of the parent's consolidated financial statements can be obtained from Units 1 & 2 Roman Park, Roman Way, Colleshill, Birmingham, West Midlands, B46 1HG.

Since the year end, on 2 March 2021, Cildarn Limited has become a wholly owned subsidiary of Gracoroberts UK Limited, a company incorporated in England and Wales.

**Notes to the Financial Statements - continued  
for the Year Ended 31 December 2020**

**20. POST BALANCE SHEET EVENTS**

The global Covid-19 pandemic and the associated quarantines put in place by the UK and other governments present significant challenges to the aviation sector.

The director is confident that the actions taken to mitigate the impact of reduced aerospace activity have ensured that the company has continued to make satisfactory progress based on its results to date.

The director considers that an estimate of the possible future impact cannot be made. The director confirms that he has considered the effect of any further uncertainties as known at 21 September 2021 associated to the impact of Covid-19 when considering the company's going concern position.

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