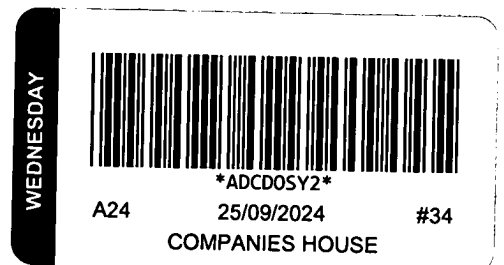


Registration number: 01999018

GKN Aerospace Transparency Systems (Kings Norton) Limited

Directors' Report and Financial Statements

for the Year Ended 31 December 2023



GKN Aerospace Transparency Systems (Kings Norton) Limited Directors' Report for the Year Ended 31 December 2023

The Directors present their report and the audited financial statements for the year ended 31 December 2023. In line with special provisions relating to small companies within Part 15 of the Companies Act 2006, the Company has chosen not to prepare a Strategic Report.

GKN Aerospace Transparency Systems (Kings Norton) Limited is an intermediary company within the Melrose Industries PLC Group. There are no anticipated changes to the nature of the Company.

Directors of the Company

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

M J Richards (resigned on 7 March 2024)	S A Anderson (appointed 7 March 2024)
G D Morgan (resigned on 7 March 2024)	R P Gough (appointed 7 March 2024)
G E Barnes (resigned on 7 March 2024)	M Payne (appointed 7 March 2024)
J C F Crawford (resigned 31 May 2023)	W Fernandez (appointed 31 May 2023)

No Director had a beneficial interest in the share capital of the Company or any of its subsidiaries, except for the fact that each Director as at 31 December 2023 held shares and/or options over shares in Melrose Industries PLC, the ultimate parent company and controlling party, and therefore had an indirect beneficial interest in the Company.

Financial results

The income statement of the Company shows a loss for the year of £2,612,485 (2022: £nil), predominantly following an impairment charge against the carrying value of investments in subsidiaries.

Dividends

No interim dividend (2022: £nil) was paid for the year ended 31 December 2023. The Directors have not proposed a final dividend for the year ended 31 December 2023 (2022: £nil).

Going concern


The financial statements have been prepared on a going concern basis as the Directors consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future. The Directors' assessment is based on a review of the Company's forecasts for the next 12 months from the date of the approval of these financial statements.

The Company is a subsidiary of Melrose Industries PLC, a global aerospace manufacturing and engineering group. The Group's liquidity and funding arrangements are described in the Melrose Industries PLC 2023 Annual Report and there is significant liquidity headroom of £1.0 billion at 31 December 2023 with sufficient headroom throughout the going concern forecast period.

Directors' liabilities

The ultimate parent undertaking has indemnified all the Directors of the Company against liability in respect of proceedings brought by third parties, subject to the conditions set out in the Companies Act 2006. Such qualifying third-party indemnity provision was in force throughout the year and at the date of this report.

Approved by the Board on 20 September 2024 and signed on its behalf by:



M Payne
Director

Registration number: 01999018

GKN Aerospace Transparency Systems (Kings Norton) Limited

Statement of Directors' responsibilities

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

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

- select suitable accounting policies and apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

GKN Aerospace Transparency Systems (Kings Norton) Limited
Income statement for the year ended 31 December 2023


	Note	2023 £	2022 £
Operating profit	2	-	-
Amounts written off investments in subsidiaries	4	(2,622,105)	-
Finance income on current account		<u>9,620</u>	<u>-</u>
Loss before taxation		(2,612,485)	-
Tax on loss	3	-	-
		<u>(2,612,485)</u>	<u>-</u>
Loss for the financial year		(2,612,485)	-

GKN Aerospace Transparency Systems (Kings Norton) Limited
(Registration number: 01999018)
Balance sheet as at 31 December 2023

	Note	2023 £	2022 £
Non-current assets			
Investments in subsidiaries	4	-	2,622,105
Current assets			
Inter-company current account	5	<u>1,129,490</u>	<u>1,119,870</u>
Net assets		<u>1,129,490</u>	<u>3,741,975</u>
Capital and reserves			
Called up share capital	6	100	100
Profit and loss account		<u>1,129,390</u>	<u>3,741,875</u>
Total Shareholder's funds		<u>1,129,490</u>	<u>3,741,975</u>

For the year ended 31 December 2023, the Company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies. The members have not required the Company to obtain an audit of its accounts for the year in question in accordance with section 476. The Directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of accounts.

The financial statements were approved by the Board of Directors and authorised for issue on 20 September 2024. They were signed on its behalf by:



.....
M Payne
Director

GKN Aerospace Transparency Systems (Kings Norton) Limited
Statement of changes in equity for the year ended 31 December 2023

	Called up Share capital £	Profit and loss account £	Total equity £
Balance at 1 January 2022	100	3,741,875	3,741,975
Total comprehensive income for the year Profit and loss	-	-	-
Balance at 31 December 2022	100	3,741,875	3,741,975
Total comprehensive income for the year Profit and loss	-	(2,612,485)	(2,612,485)
Balance at 31 December 2023	100	1,129,390	1,129,490

GKN Aerospace Transparency Systems (Kings Norton) Limited

Notes to the financial statements

1. Accounting policies and presentation

GKN Aerospace Transparency Systems (Kings Norton) Limited is a private company limited by shares, it is incorporated and domiciled in the UK and registered in England and Wales with the registered number 01999018. Its registered office is 11th Floor, The Colmore Building, 20 Colmore Circus Queensway, Birmingham, B4 6AT.

The Company's significant accounting policies are summarised below. They have been consistently applied in both years presented.

Basis of preparation

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

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

Summary of disclosure exemptions

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

Exemption from preparing group financial statements

The Company has taken advantage of the exemption provided by Section 400 of the Companies Act 2006 and has not prepared group financial statements.

Going concern

The financial statements have been prepared on a going concern basis as the Directors consider that adequate resources exist for the Company to continue in operational existence for the foreseeable future, being at least twelve months from the date of approval of the financial statements. The Directors' assessment is based on a review of the Company's forecasts for the next 12 months from the date of the approval of these financial statements.

The Company is a subsidiary of Melrose Industries PLC, a global aerospace manufacturing and engineering group. The Group's liquidity and funding arrangements are described in the Melrose Industries PLC 2023 Annual Report and there is significant liquidity headroom of £1.0 billion at 31 December 2023 with sufficient headroom throughout the going concern forecast period.

New standards, interpretations and amendments effective

There were no new standards adopted within the year that had a significant impact on the financial statements.

Financial assets and liabilities

Financial assets and liabilities, including short term receivables and payables, are initially recognised at fair value and subsequently measured at amortised cost less any impairment provision unless the impact of the time value of money is considered to be material.

Finance income and costs policy

Finance income

Where financial assets are measured at amortised cost using the effective interest method, interest expense is recognised on an effective yield basis in profit or loss within finance costs.

GKN Aerospace Transparency Systems (Kings Norton) Limited
Notes to the financial statements

1. Accounting policies and presentation (continued)

Taxation

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

The Company's liability for current tax is calculated using tax rates and laws that have been enacted or substantively enacted by the balance sheet date. The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it excludes items that are not taxable or deductible.

Investments

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

Significant judgements and key sources of estimation uncertainty

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future year if the revision affects both current and future years.

The Directors have considered this and concluded no significant judgements have been made or key estimates utilised in respect of these financial statements.

2. Operating result

The Company had no employees during the year (2022: none).

3. Tax

a) Analysis of tax charge in the year

There was no income tax charge in the year (2022: £nil).

b) Factors affecting the tax in the year

The tax assessed for the year is different to (2022: different to) the standard rate of corporation tax in the UK of 23.5% (2022: 19%):

	2023	2022
	£	£
Loss before tax	2,612,485	-
Tax credit calculated at 23.5% (2022: 19%) standard UK corporate tax rate	613,934	-
Non-deductible and non-taxable items	(616,195)	-
Group relief at nil tax rate	2,261	-
Total tax for the year	-	-

c) Changes in UK Corporation tax rates

The Finance Act 2021 included an increase in the UK corporation tax rate to 25% with effect from 1 April 2023. As this change had been enacted at the balance sheet date, the closing deferred tax balances have been measured using the 25% rate. This has no effect on the closing balance sheet.

GKN Aerospace Transparency Systems (Kings Norton) Limited
Notes to the financial statements

4. Investments in subsidiaries

	£
Cost	
At 1 January 2023 and 31 December 2023	<u>2,622,105</u>
Accumulated impairment	
At 1 January 2023	-
Amounts written off investments in subsidiaries	<u>(2,622,105)</u>
At 31 December 2023	<u>(2,622,105)</u>
Net book value	
At 31 December 2023	-
At 1 January 2023	<u>2,622,105</u>

Details of undertakings

Fixed asset investments are stated at historical cost less provision for impairment. Details of the investments in which the company holds 20% or more of the nominal value of any class of share capital were as follows:

Subsidiary Undertaking	Registered office	Holding	Proportion of voting rights and shares held
GKN Aerospace Transparency Systems do Brasil Ltda (held directly)	Av. Alfredo Ignácio Noqueira Penido 335 – Sala 1103 – Edifício Madison Power São José dos Campos SP 12246-000 Brazil	Quota Capital	100%

Following a review of the carrying value of the investment, an impairment charge of £2,622,105 was recorded.

5. Inter-company current account

Amounts owed by group undertakings are unsecured, have no fixed date of repayment and are repayable on demand.

6. Share capital

Authorised, allotted, called up and fully paid shares

	2023		2022	
	No.	£	No.	£
Ordinary of £1 each	100	100	100	100

7. Control

The immediate parent is GKN Aerospace Holdings Limited. The ultimate parent undertaking and controlling party is Melrose Industries PLC, a company incorporated in England and Wales.

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